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HEARINGS

BEFORE THE

U.S. Congress. House.

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

67
401

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

TO INVESTIGATE THE POST OFFICE
DEPARTMENT

MAY 24 AND 25, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

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1911

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call.]

WILLIAM A. ASHBROOK (Chairman), of Ohio.

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, *Clerk.*

70-2 10/9/11

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Wednesday, May 24, 1911.

The committee met at 10 o'clock, a. m., Hon. William A. Ashbrook (chairman) presiding.

STATEMENT OF MR. WILLIAM M. MOONEY, DISBURSING CLERK OF THE POST OFFICE DEPARTMENT.

The CHAIRMAN. Mr. Mooney, what is your official connection with the Post Office Department?

Mr. MOONEY. I am the disbursing clerk of the Post Office Department, Mr. Chairman.

The CHAIRMAN. How long have you held that position?

Mr. MOONEY. Since November, 1905.

The CHAIRMAN. Can you tell the committee at what time Mr. A. W. Lawshe became the Third Assistant Postmaster General?

Mr. MOONEY. I can not offhand, Mr. Chairman.

The CHAIRMAN. Can you tell what year he was appointed?

Mr. MOONEY. I think it was the year following the inauguration of President Taft.

The CHAIRMAN. At what time did Mr. Lawshe sever his connection with the Post Office Department as the Third Assistant Postmaster General?

Mr. MOONEY. October 31, 1910.

The CHAIRMAN. And until that date he continued to draw the salary of the Third Assistant Postmaster General?

Mr. MOONEY. Yes, sir.

Mr. MCCOY. How much was the salary?

Mr. MOONEY. \$5,000 a year.

The CHAIRMAN. Mr. Mooney, state, if you can, when it was that Mr. Lawshe went to New Mexico on account of his health.

Mr. MOONEY. My first letter to him was dated November 15, 1909. That was the first check for the first half of November, 1909.

The CHAIRMAN. At that time he was in New Mexico?

Mr. MOONEY. He was in New Mexico.

The CHAIRMAN. And did he remain in New Mexico until the following November—November, 1910?

Mr. MOONEY. Yes, sir; the last check was sent to him October 31, 1910.

The CHAIRMAN. And during that time he continued to draw the salary of the office?

Mr. MOONEY. Yes, sir.

The CHAIRMAN. As a matter of fact, was he in the office in Washington at any time?

Mr. MOONEY. Not during that period, to my knowledge.

The CHAIRMAN. He did not, then, perform any of the duties of the Third Assistant Postmaster General while he was in New Mexico?

Mr. MOONEY. Well, it was generally understood there that he was performing work for the department. From time to time work was sent to him, as I understand, and he was writing his annual report and engaged on other work. That was the understanding in the department among the officials.

The CHAIRMAN. During his sojourn in New Mexico who was the Acting Third Assistant Postmaster General?

Mr. MOONEY. The chief clerk, Mr. Travers.

The CHAIRMAN. And what salary did he draw?

Mr. MOONEY. He was drawing \$2,500 a year, which is the salary of the chief clerk of a bureau.

The CHAIRMAN. He did not, then, draw the pay of the Third Assistant?

Mr. MOONEY. No, sir.

Mr. MCCOY. Had Mr. Lawshe been in the department prior to his appointment to this office which he was holding at that time?

Mr. MOONEY. In the Government service, you mean, Mr. McCoy?

Mr. MCCOY. In the Postal Service.

Mr. MOONEY. He had been in the auditor's office. He was formerly auditor for the Post Office Department for a number of years and from that position was transferred to Cuba as auditor for Cuba and then transferred from there to the Philippines. He performed excellent service in Cuba, I am told, and was a very excellent officer with us. He had been in the Government service for 10 years, to my knowledge.

The CHAIRMAN. At this time he is not in the Government service?

Mr. MOONEY. I really do not know, Mr. Chairman. I just received notice from the Postmaster General to drop him from the rolls October 31, and I really have not heard from him or heard of him since.

Mr. REDFIELD. You spoke of certain service that he rendered while absent. Can you give in detail, fully as possible, what those services were?

Mr. MOONEY. No; I have no way of knowing. It was just current rumor that he was engaged on work for the department.

Mr. MCCOY. Who would know?

Mr. MOONEY. I imagine Mr. Travers would know. He was formerly the chief clerk.

The CHAIRMAN. When did Mr. Travers sever his connection with the Post Office Department?

Mr. MOONEY. The exact date I can not tell you, Mr. Chairman. It was about a month ago, I think.

The CHAIRMAN. You say about a month ago?

Mr. MOONEY. I think he was dismissed about a month ago.

Mr. MCCOY. Would the records in the department show what services Mr. Lawshe was performing in Mexico, if any?

Mr. MOONEY. Any work that he performed I imagine would be in the office of the Third Assistant Postmaster General, or Mr. Travers would be familiar with what work had been sent to Mr. Lawshe.

Mr. ALEXANDER. Where is Mr. Travers?

Mr. MOONEY. He is about the city, Judge, somewhere. I have seen him once or twice.

Mr. REDFIELD. You said that there was—I think you used the word “understanding” in the department that Mr. Lawshe was doing certain work. Can you define that understanding more clearly? Tell the committee as fully as possible what you mean by the understanding and the rumor. What are all the facts, as you know them?

Mr. MOONEY. Well, I am not in a position to know what work he would be doing at the time. It is a natural supposition he was working for the department, and during my private conversations with Mr. Travers, the chief clerk, he told me that he was performing work for the department.

The CHAIRMAN. Do you know, Mr. Mooney, whether or not Mr. Lawshe was engaged in any other work while in New Mexico and while he was drawing the salary of the Third Assistant?

Mr. MOONEY. I have no knowledge of that at all, Mr. Chairman.

Mr. ALEXANDER. You mean some other business aside from his duties as Third Assistant Postmaster General?

The CHAIRMAN. Yes.

Mr. MOONEY. I have no knowledge of that fact at all.

Mr. REDFIELD. Is your knowledge of it confined to what Mr. Travers told you?

Mr. MOONEY. That is all, sir.

Mr. REDFIELD. You never heard of it from anyone else there that he was or was not doing work?

Mr. MOONEY. No.

Mr. AUSTIN. Do you know whether or not he was granted leave of absence on account of ill health?

Mr. MOONEY. I do not know. I know he was very ill. I do not know about the granting of a leave of absence. But I know he was away from the department ill, and it was known that he had grown ill in the service, through his connection with Cuba and the Philippines, and had contracted tuberculosis and went to New Mexico for his health; and I received personal letters from Mr. Lawshe to the effect that he was on the mend and expected to get well and expected to return to the office.

Mr. REDFIELD. This absence was for how long?

Mr. MOONEY. One year.

Mr. REDFIELD. And yet you understood that although ill, he was still performing work?

Mr. MOONEY. Yes, sir.

The CHAIRMAN. Do the vouchers show that he was allowed any expense account, except his salary?

Mr. MOONEY. No, sir; just his salary from month to month, payable semimonthly.

Mr. MCCOY. You would know if any other money was sent to him?

Mr. MOONEY. Yes, sir.

Mr. MCCOY. It would be a part of your duty to know?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. Were any special instructions given you in the matter, either as to remitting him his salary without question—did you have any special instructions?

Mr. MOONEY. None whatever.

Mr. REDFIELD. Then the check went out to him as a matter of course, just as if he had been in Washington?

Mr. MOONEY. Yes, sir.

The CHAIRMAN. Well, Mr. Mooney, you must have had instructions from some one; otherwise you would not have mailed the vouchers to him at New Mexico.

Mr. MOONEY. You mean instructions as to the place to send them?

The CHAIRMAN. Yes.

Mr. MOONEY. Mr. Travers would telephone me his address, and then I received, as I say, letters in acknowledgment. The first address came from Mr. Travers, and then in reply and in acknowledgment of the receipt of that check I would get a personal letter from Mr. Lawshe.

Mr. AUSTIN. And a receipt, I suppose?

Mr. MOONEY. We never receive any receipts for checks. They are receipts in themselves, and they are all assembled in the auditor's office, you know.

Mr. REDFIELD. Then does the committee gather that the sending out of his salary was an act of your own, of which the only and other official that had knowledge of it was Mr. Travers?

Mr. MOONEY. Whether it was known?

Mr. REDFIELD. That it was an act of your own.

Mr. MOONEY. Oh, no; the rolls came down to me approved, and I would have no more knowledge of the work of Mr. Lawshe than I would of the work that had been performed by any ordinary clerk. The rolls are approved by the administrative officer and reach me in that way.

Mr. REDFIELD. Then it is a fact, is it, that the rolls covering his salary during his absence were duly certified to you by the department officers?

Mr. MOONEY. Yes, sir.

The CHAIRMAN. Who is the administrative officer to whom you refer?

Mr. MOONEY. The appointment clerk first initials the pay roll, then the chief clerk, and they are signed by the Postmaster General or the Acting Postmaster General.

The CHAIRMAN. As a matter of fact, then, it was upon the order of the Postmaster General?

Mr. MOONEY. Yes, sir.

Mr. AUSTIN. Do you know whether the Postmaster General gave Mr. Lawshe a leave of absence and permission to go West on account of his health?

Mr. MOONEY. I do not know. I know that we knew—everybody knew there—that Mr. Lawshe was very ill with tuberculosis.

Mr. AUSTIN. Is it not pretty well understood in the department that he contracted that disease in the postal service?

Mr. MOONEY. Yes, sir.

Mr. AUSTIN. Either in Cuba or the Philippines?

Mr. MOONEY. Yes, sir. I can remember Mr. Lawshe in the auditor's office—a very big, strong man.

Mr. AUSTIN. How long was he in Cuba—was it Cuba or Porto Rico?

Mr. MOONEY. Cuba.

Mr. AUSTIN. How long was he in Cuba and the Philippines?

Mr. MOONEY. I think he was in Cuba two years and in the Philippines four or five years, if I remember correctly. It may have been

Mr. AUSTIN. Did he ever return from the West during this year?

Mr. MOONEY. From New Mexico, you mean, Mr. Austin?

Mr. AUSTIN. Yes.

Mr. MOONEY. I do not know. I am not familiar with his habits since that time.

Mr. AUSTIN. Do you not know that the condition of his health was such that he could not live in this climate?

Mr. MOONEY. I understand that; yes, sir.

Mr. REDFIELD. Are you informed as to the law which permits disbursing officers to recompense employees or officers in the department during a protracted absence?

Mr. MOONEY. I know of no law governing the limitation of payment of salaries to presidential appointees.

Mr. REDFIELD. Of course you are aware that payments made by public departments stand upon a different legal basis from payments made by private corporations?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. That what one may lawfully do and perhaps properly do, the other may not properly do. You are aware of that distinction?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. With the permission of the chairman, I would like to ask one or two questions.

The CHAIRMAN. Proceed.

Mr. ALEXANDER. You say that Mr. Lawshe was absent on account of ill health, as I understand.

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. His health had become so much impaired he was no longer able to perform the duties of his office?

Mr. MOONEY. I will not say perform the duties of his office, Judge, but to live in this climate and perform his duties.

Mr. ALEXANDER. It was necessary for him, in the discharge of his duties, to live here in Washington, was it not?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. And of course to be in his office in the Post Office Building. Now, you do not know personally, as I understand, that he did receive permission from the Postmaster General to be absent from Washington. Now is there any regulation in the department by which the head of a department may receive an indefinite leave of absence under conditions that preclude him from performing the duties of his office and at the same time receive his pay?

Mr. MOONEY. Well, I imagine that the administrative officer could excuse any member of his department.

Mr. ALEXANDER. Do you know of any law or regulation of the department that authorizes the Postmaster General to excuse any officer of the department, whether it be the First or Second or Third or Fourth Assistant Postmaster General, giving an indefinite leave of absence with pay from the Public Treasury?

Mr. MOONEY. No, sir; nor of any law which would prohibit his doing so.

Mr. ALEXANDER. Is there not a law like this, that the establishment of a civil pension roll or an honorable service roll or the exemption of any officers, clerks, and persons in the public service from existing law, receiving employment in such service, is prohibited?

Mr. MOONEY. I am not familiar with the law, Judge.

Mr. ALEXANDER. So that if he was granted this leave of absence, you do not know of any law warranting it?

Mr. MOONEY. I know of no law—for the payment of the salary, you mean?

Mr. ALEXANDER. Yes.

Mr. MOONEY. I know of no law which would prohibit it.

Mr. ALEXANDER. In other words, if the Postmaster General might grant him a leave of absence for one year, as he did in this case—assuming that he granted a leave of absence—he might grant it for two or three or four years, might he not?

Mr. MOONEY. Oh, I imagine he could.

Mr. ALEXANDER. Take yourself, for instance. You have how much sick leave—or are you under the civil service?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. How much sick leave have you in a year?

Mr. MOONEY. The clerks have 30 days annual leave and 30 days sick leave.

Mr. ALEXANDER. Now, if you were absent beyond that period, you would not receive any compensation from the Government, would you?

Mr. MOONEY. The clerks do not; no, sir.

Mr. ALEXANDER. And do you know of a different rule that should be applied to the head of a department?

Mr. MOONEY. Well, the head of a department has never worked under the same rules and regulations that the clerks have. It would be natural that any reasonable time for an employee who had been a hard worker and an able employee and an able official——

Mr. ALEXANDER (interposing). That would be in the nature of a pension for him for past service.

Mr. MOONEY. Well, you can call it a pension. We expected Mr. Lawshe to return.

Mr. ALEXANDER. But it is in the nature of a pension and based, you say, on his past services in Cuba and in the Philippine Islands?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. And as I understand, under this statute, it is expressly prohibited by law. In other words, the Postmaster General has no right, on account of efficient service, to say to an employee: "You can go to New Mexico or somewhere else and recuperate your health, and in the meantime you shall receive your pay out of the Treasury of the United States." And one purpose, I apprehend, of this inquiry, was to ascertain whether or not the Postmaster General was exercising this power, and if so, by virtue of what law. We all may admit that Mr. Lawshe was a worthy official, and an efficient one, and may have contracted the disease in the public service, but if the Postmaster General may exercise this power, then it is for him to determine when and under what circumstances and what employees of the Government may be the beneficiaries. I apprehend that is the meat of the whole inquiry, to find out just what power he exercised, and by virtue of what law.

Mr. MOONEY. The department, I think, lost nothing in the absence of Mr. Lawshe, as Mr. Hitchcock certainly gave attention to that bureau, and we all know that he worked late, especially on second-class matter, which came directly under Mr. Lawshe. I do

not think that the Postmaster General did any more than any business concern would have done to a faithful employee, giving him a chance to get well, in the hope he would return to duty.

Mr. ALEXANDER. There is this difference, however, that if a man is in my employ and I am paying him out of my pocket, I can extend him any courtesies that I please; but if I am trustee for another, there is quite a distinction. Now, you say you do not know that Mr. Lawshe was engaged in any other business, aside from his official duties, while in New Mexico?

Mr. MOONEY. No, sir; I never heard that he was.

Mr. ALEXANDER. Did he return to Washington at all?

Mr. MOONEY. Not during that period.

Mr. ALEXANDER. As I understand, his health improved. Was he fully restored?

Mr. MOONEY. I do not know that. I know that he said, and it was stated by Mr. Travers, that he was improving each month.

Mr. REDFIELD. Where did he go in New Mexico?

Mr. MOONEY. Las Cruces.

Mr. ALEXANDER. Do you know the post office address of Mr. Travers here in Washington, and what are his initials?

Mr. MOONEY. His name is Arthur M. Travers, and he resides at the Dunsmere apartment house.

Mr. MCCOY. Do you know where he is employed?

Mr. MOONEY. I do not think he is employed at all, Mr. McCoy.

Mr. TOWNER. Can you tell me the name of Mr. Lawshe's immediate superior, Mr. Mooney?

Mr. MOONEY. Now, you mean?

Mr. TOWNER. During this time referred to.

Mr. MOONEY. The Postmaster General.

Mr. TOWNER. Now, as I understand it, so far as your knowledge extends, you simply knew that when these checks for salary were made out they were sent to New Mexico?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And you obtained that information from a clerk in the department?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And the other statements that you have made regarding his absence and the cause of it, and other matters connected with it, as I understand from you, are entirely from what we would call hearsay statements?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. You never were notified that he had been dropped from the rolls until October 31, 1910?

Mr. MOONEY. Yes, sir; that is correct.

Mr. TOWNER. And up until that time, in the ordinary course, his name was certified to you for payment of his salary, just the same as any other person?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. Pardon me the interruption, but I do not think any member of the committee is disposed to reflect upon Mr. Mooney for paying his salary. We simply want to develop the facts; that is all.

Mr. TOWNER. Well, I do not know. You asked him about his knowledge of the law, and if he did not know about it.

Mr. ALEXANDER. I asked him that because I thought perhaps he had that information as to the law. The pay roll came to him in the regular way, and he issued the checks, and there is no criticism that could attach to him whatever.

Mr. TOWNER. I think that ought to be in the record.

Mr. ALEXANDER. If you have any such inference as that, it ought to be in the record, because I had no disposition to cause any such inference whatever.

Mr. TOWNER. It is only fair to Mr. Mooney that the facts should be put in the record. Let me ask you this. I presume this can hardly be of any more value to the committee than these other matters about which you have no personal knowledge, but I think probably it would be only fair that these facts should be placed in the record, if they are true. Mr. Lawshe had been, as you say, a rather exceptional, distinguished employee of the Post Office Department?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. That is, he had served for two years in Cuba in looking after the Government establishment and installation of a postal service for Cuba, and he had been in the Philippines for five years, looking after the installation of a postal service for the Philippine Islands, and it was supposed that while he had been engaged in such service he had contracted the disease from which he was suffering. Is that true?

Mr. MOONEY. That is true.

Mr. TOWNER. Now, can you tell me how long it was after his return from the Philippines, which I presume was the latter service as compared with his service in Cuba?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. Can you tell me how long he served in the Post Office Department before he went to New Mexico?

Mr. MOONEY. Offhand, I can not, Mr. Towner, but I will supply that later.

Mr. TOWNER. So in your judgment, as you recollect it now, probably he served in Washington in the place which he held for two years before he went to New Mexico?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And then it was understood that he had a leave of absence for the purpose of going to New Mexico to recuperate his health?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And, of course, that was understood to be only a temporary absence?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. If he could recover within one month, of course he was supposed to be back in Washington, or in two months he was supposed to be back in Washington?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And in fact, from time to time, if there was an extension of time granted, you do not know about that personally?

Mr. MOONEY. No, sir; I expected each check I sent him to be his last. I understood that he would return.

Mr. TOWNER. And from time to time it was understood, as I understand you, that he was improving?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. Almost immediately upon going there?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And was expected soon to be able to take his place in the service again?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And so far as you know, that was the case until he actually was dropped from the rolls?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And probably as a result of his going to New Mexico, you are informed that he has practically recovered his health?

Mr. MOONEY. Well, that I do not know.

Mr. TOWNER. You do not know about that?

Mr. MOONEY. No, sir.

Mr. TOWNER. At least he is now living?

Mr. MOONEY. Yes.

Mr. TOWNER. And is living in the city, although no longer connected with the Government service?

Mr. MOONEY. Yes, sir.

Mr. AUSTIN. I think he is connected with the Indian Service, in connection with Indian schools.

Mr. MCCOY. Out west?

Mr. AUSTIN. In New Mexico.

Mr. MOONEY. I really do not know, Mr. Austin.

Mr. TOWNER. You do not know, I suppose, officially, the cause of his being dropped from the service?

Mr. MOONEY. Indeed I do not.

Mr. TOWNER. Do you have any knowledge as to that unofficially?

Mr. MOONEY. No; only from a conversation with Mr. Travers or some one else I understood he would not be able to return to his position on account of his health, and for that reason he was dropped from the rolls.

Mr. TOWNER. His absence had been so protracted they could not longer keep him on the rolls?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. The head of a bureau such as Mr. Lawshe occupied, of course, the duty of such an officer is a general supervisory duty, is it not? Mr. Lawshe was what?

Mr. MOONEY. He was the Third Assistant Postmaster General.

Mr. TOWNER. The duties of the Third Assistant Postmaster General are largely supervisory, are they not, being the head of a department?

Mr. MOONEY. Yes, sir; and in the absence of the Postmaster General he acts as Postmaster General in turn.

Mr. TOWNER. Now, such being the case, is it not possible for such an officer, who is not personally present, to supervise the work of his department with a great deal more efficiency than if he were a lower official, whose duties were compelled to be done under the immediate exigencies of the occasion? Perhaps I do not make that clear to you.

Mr. MOONEY. Not quite, Mr. Towner.

Mr. TOWNER. His duty being that of a general supervisory nature, his absence would not perhaps be so injurious in its effect to the public service as if he were, perhaps, a lower official?

Mr. MOONEY. Yes; I think it would be more so.

Mr. TOWNER. You think it would be more so?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. Could he not supervise the duties of his office from a distance better?—that is to say, the reports made to him by letter or telegram or otherwise?

Mr. MOONEY. I do not think better, Mr. Towner.

Mr. TOWNER. Of course, I do not mean better than if he were personally present; but what I mean is, better than a man who was acting under the immediate work of his department.

Mr. MOONEY. Yes; a man like Mr. Lawshe, I should think, could.

Mr. TOWNER. So far as you know, you had no complaint and heard of no complaint as to the conduct of his bureau during the time of his absence?

Mr. MOONEY. No, sir.

Mr. TOWNER. So far as you know, the efficiency of the service was not impaired on account of it?

Mr. MOONEY. No. I know that Mr. Hitchcock gave more time and attention to that office than he otherwise would have done had Mr. Lawshe been there.

Mr. TOWNER. Can you state, in a general way, what Mr. Lawshe's duties were as Third Assistant Postmaster General?

Mr. MOONEY. Well, he had supervision of the entire Third Assistant's bureau, and had charge of the second-class matter and of the Division of Finance, which controls the payments for the postal service and Money Order Division and the Division of Registered Mail. All those came under his direction and supervision.

Mr. TOWNER. Now, I note here that the superintendents of divisions are that of finance, stamps, money orders, registered mails, classifications, special counsel, redemptions, postal card agent, stamped envelope agent. Those, I suppose, would be the subdivisions of his work?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. Each of those departments has a head?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And these heads, of course, reported to him?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. So far as you know, there was at least work done by him during the time he was away, in the supervision of his office?

Mr. MOONEY. Yes, sir.

Mr. TOWNER. And in the performance of his duties?

Mr. MOONEY. Yes, sir. Just how much I could not tell you.

The CHAIRMAN. Did I understand you to say that while he was absent he performed some duties?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. Do I understand the witness to say he knows this himself, or that he got it from Mr. Travers or some other person?

Mr. MOONEY. Only from hearsay, Judge.

Mr. MCCOY. You say Mr. Lawshe had charge of the second-class mail matter?

Mr. MOONEY. Yes, sir.

Mr. MCCOY. And is that the particular matter about which we have been reading so much in the newspapers?

Mr. MOONEY. Yes, sir.

Mr. MCCOY. You say that the Postmaster General gave more attention to that matter during Mr. Lawshe's absence than usual?

Mr. MOONEY. Yes, sir; he took up the duties of the bureau, and in that way became more interested, as I understand, in the second-class matter.

Mr. McCoy. Just what were Mr. Lawshe's duties in connection with second-class mail matter?

Mr. MOONEY. He had the subject of the classification of newspapers and publications and all questions in regard to the second-class division were submitted to Mr. Lawshe for his final decision.

Mr. McCoy. As to whether or not a certain publication should be entitled to second-class rates, and such things as that?

Mr. MOONEY. Yes, sir.

Mr. McCoy. Is it not a fact that during that period the Postmaster General was giving especial attention to second-class mail matters because of the agitation that has been so prevalent about it recently?

Mr. MOONEY. Very likely.

Mr. McCoy. In other words, was he not making that a special matter, so as to be able to come a final conclusion with regard to it?

Mr. MOONEY. That I could not say.

Mr. McCoy. Of course you do not know. I am only trying to get your impressions about the matter.

Mr. MOONEY. Yes, sir.

Mr. McCoy. Was it not your impression then—or as you look back at it now, would it not have been your impression, if you had given it consideration—that the Postmaster General was giving this attention especially, not because Mr. Lawshe was away, but because the matter was one that was being greatly agitated?

Mr. MOONEY. Yes, sir.

Mr. McCoy. And even if Mr. Lawshe had been here during that period the matter would probably have been handled as it was by the Postmaster General anyhow on account of the growing importance of it?

Mr. MOONEY. Yes, sir.

Mr. ALEXANDER. Speaking of the duties of the Third Assistant Postmaster General, I find them set out in section 19, page 29, of the Rules and Regulations of the Post Office Department. His duties relate to the "general supervision of the collection and deposit of the revenues of the postal service and of its financial operations; the keeping of the accounts of postal receipts and of payments from the Treasury and the several subtreasuries and depositories; the drawing of warrants for the payment of any indebtedness of the department and for covering into the Treasury moneys derived from the service; the supervision and management of the registry system in all its parts, both foreign and domestic, the collection and recording of statistics relating thereto, the preparation of instructions to postmasters and other officers, and of all correspondence relating to the subject; provided that all correspondence with foreign offices relating to the foreign registry system shall be conducted through the Second Assistant Postmaster General (Division of Foreign Mails); but all changes from existing methods of dispatching foreign registered mails shall be promptly reported to the Third Assistant Postmaster General; the classification of mail matter; the use of penalty envelopes and the franking privilege; and the supervision, through the Government agencies, of the manufacture of all postage stamps, postal cards, stamped envelopes, newspaper wrappers, and official envelopes for the

postal service and their distribution, and the making and execution of all contracts or agreements therefor, as well as the contract for furnishing envelopes to the several executive departments."

They are substantially the duties of that office.

Mr. TOWNER. Is that all we have to ask this witness?

The CHAIRMAN. It occurs to me we have established by Mr. Mooney the fact that this salary was paid during Mr. Lawshe's absence and was paid by the order of a superior officer, and that is all we can hope to gain from this witness. If there is any further interrogation along this line desired by the committee, it should be made of the administrative officer of the department.

Mr. REDFIELD. Did the Postmaster General sign these pay rolls?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. They bore his individual signature?

Mr. MOONEY. Yes, sir. Of course, my accounts, you know, are passed by the auditor, and not one of these payments during the year was questioned by the law clerk or the auditing committee of the auditor, which is my guide.

Mr. REDFIELD. The pay roll on which you drew your vouchers was a pay roll signed by the Postmaster General?

Mr. MOONEY. Yes, sir; either by him, or, in his absence, the First Assistant Postmaster General. I could not tell you whether the Postmaster General signed all of them or not.

Mr. REDFIELD. And without that authority you could not have drawn the vouchers?

Mr. MOONEY. No, sir.

The CHAIRMAN. Your duties are purely clerical?

Mr. MOONEY. Purely clerical, Mr. Ashbrook. The amounts which Mr. Lawshe received during his absence amount to \$5,000—one year's salary.

Mr. ALEXANDER. I suggest that statement go into the record.

(The paper referred to is as follows:)

The following list comprises all salary checks forwarded to Mr. A. L. Lawshe at Las Cruces, N. Mex.:

Nov.	15, 1909.	First half of November, 1909.....	\$205. 00
	30, 1909.	Last half of November, 1909.....	211. 67
Dec.	17, 1909.	First half of December, 1909.....	205. 00
	31, 1909.	Last half of December, 1909.....	211. 67
Jan.	15, 1910.	First half of January, 1910.....	205. 00
	31, 1910.	Last half of January, 1910.....	211. 66
Feb.	16, 1910.	First half of February, 1910.....	205. 00
	28, 1910.	Last half of February, 1910.....	211. 67
Mar.	15, 1910.	First half of March, 1910.....	205. 00
Apr.	1, 1910.	Last half of March, 1910.....	211. 67
	16, 1910.	First half of April, 1910.....	205. 00
	30, 1910.	Last half of April, 1910.....	211. 66
May	14, 1910.	First half of May, 1910.....	205. 00
	31, 1910.	Last half of May, 1910.....	211. 67
June	16, 1910.	First half of June, 1910.....	205. 00
	30, 1910.	Last half of June, 1910.....	211. 67
July	15, 1910.	First half of July, 1910.....	205. 00
	30, 1910.	Last half of July, 1910.....	211. 66
Aug.	15, 1910.	First half of August, 1910.....	205. 00
	31, 1910.	Last half of August, 1910.....	211. 67
Sept.	15, 1910.	First half of September, 1910.....	205. 00
	30, 1910.	Last half of September, 1910.....	211. 67
Oct.	15, 1910.	First half of October, 1910.....	205. 00
	31, 1910.	Last half of October, 1910.....	211. 66
Total.....			5,000. 00

Mr. ALEXANDER. I call attention to the following provision of law found in Supplement to the Revised Statutes of the United States in volume 2, on page 958, section 2, as follows:

The establishment of a civil pension roll or an honorable service roll, or the exemption of any of the officers, clerks, and persons in the postal service from the existing laws respecting employment in such service, is hereby prohibited.

Mr. McCoy. I desire to call attention of the committee to section 107, page 66, of the Postal Laws and Regulations, 1902:

The appropriations * * * made for the officers, clerks, and persons employed in the public service shall not be available for the compensation of any persons permanently incapacitated for performing such service.

[NOTE.—The above clause is taken from the current appropriation act, and merely refers thereto. A similar clause was included in the act of Apr. 17, 1900 (ch. 192, 31 Stat. L., 134). See section 153 as to similar provision relating to postal service; section 27 as to civil pension roll, etc.]

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Thursday, May 25, 1911.

The committee met at 10 o'clock, a. m., Hon. William A. Ashbrook (chairman) presiding.

TESTIMONY OF ARTHUR M. TRAVERS.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Travers, please give your name and city address to the stenographer.

Mr. TRAVERS. Arthur M. Travers, 2523 Fourteenth Street, Washington, D. C.

The CHAIRMAN. Mr. Travers, were you formerly connected with the Post Office Department?

Mr. TRAVERS. Yes, sir; I was connected with the Post Office Department up until March 4, 1911, from October 1, 1899.

The CHAIRMAN. In what capacity were you associated with the Post Office Department?

Mr. TRAVERS. I was first private secretary to the Third Assistant Postmaster General, subsequently assistant superintendent of the registry system, and for, I think, about six years I was chief clerk to the Third Assistant Postmaster General.

Mr. TOWNER. Following this other service?

Mr. TRAVERS. Yes, sir.

The CHAIRMAN. In what position were you when you severed your connection with the Post Office Department?

Mr. TRAVERS. Chief clerk to the Third Assistant Postmaster General.

The CHAIRMAN. Were you the Acting Third Assistant Postmaster General during the absence of the Third Assistant Postmaster General, Mr. Lawshe?

Mr. TRAVERS. Yes, sir.

The CHAIRMAN. What length of time did you serve in that capacity, as Acting Third Assistant?

Mr. TRAVERS. The last service as Acting Third Assistant began about July 28, 1909, and continued unbroken up to and including November 30, 1910.

The CHAIRMAN. Then, for about 16 months you were Acting Third Assistant Postmaster General?

Mr. TRAVERS. Yes, sir.

The CHAIRMAN. Can you state, Mr. Travers, when Mr. Lawshe was appointed Third Assistant Postmaster General?

Mr. TRAVERS. March 21 or 22, 1907, I think.

The CHAIRMAN. Was he the Third Assistant Postmaster General from March, 1907, until December 1, 1910?

Mr. TRAVERS. He was carried on the rolls as such.

The CHAIRMAN. Well, was he in the office and acting as such during all that time?

Mr. TRAVERS. No, sir.

The CHAIRMAN. What part of the time, while he was on the rolls as Third Assistant, was he in the office acting as such?

Mr. TRAVERS. Well, from the date of his appointment, with the exception of such times as he was absent attending postmasters' conventions or conventions of newspaper associations, and absence on account of his annual vacation, he was there practically continuously up to July 28, 1909.

The CHAIRMAN. About what portion of the time was he absent up until July 28, 1909, attending these conventions and on his leave of absence and otherwise?

Mr. TRAVERS. I should say, as near as I can recollect, Mr. Lawshe was absent on leave possibly 30 days during the first and second year of his employment. He was absent on several occasions as much as three or four days, and on one or two other occasions he was absent about a week.

Mr. ALEXANDER. That was prior to July 28, 1909?

Mr. TRAVERS. Yes.

The CHAIRMAN. After July 28, 1909, until he severed his connection with the Post Office Department, was he in the office and performing any of the duties of his office?

Mr. TRAVERS. Mr. Lawshe performed no official service after the 28th of July, 1909, except he informed me that he had tendered his resignation early in October of 1909.

The CHAIRMAN. 1909 or 1910?

Mr. TRAVERS. 1909. He came to the office one day, looked over his mail, and called us all together and notified us that he had resigned and would perform no further official duties.

Mr. TOWNER. What date was that?

Mr. TRAVERS. That was early in October, 1909. I have not the exact date.

Mr. ALEXANDER. I did not catch your remarks there. He called you all together and said what?

Mr. TRAVERS. He called the division chiefs together, with myself, and notified us that he had resigned.

Mr. ALEXANDER. Had resigned or had tendered his resignation?

Mr. TRAVERS. That he had tendered his resignation.

Mr. ALEXANDER. He did not resign—as a matter of fact, it was not accepted at that time?

Mr. TRAVERS. No, sir.

Mr. TOWNER. You say that was October, 1909 or 1910?

Mr. TRAVERS. 1909.

Mr. REDFIELD. Did I not understand you to say in the first instance that he notified you he had tendered his resignation and would perform no further official duties?

Mr. TRAVERS. Yes, sir.

The CHAIRMAN. And to your knowledge he did not perform any after that date?

Mr. TRAVERS. Not to my knowledge; no, sir.

The CHAIRMAN. Mr. Travers, you will inform the committee what position you were in to base your knowledge in making this statement. You were serving as chief clerk under him at that time?

Mr. TRAVERS. Yes, sir; I was his chief clerk.

The CHAIRMAN. And you were in a position to know?

Mr. TRAVERS. Yes, sir; and by virtue of the law it was incumbent upon me to act in his absence.

The CHAIRMAN. And you did act in his absence?

Mr. TRAVERS. Yes, sir.

The CHAIRMAN. Where was Mr. Lawshe from July 28, 1909, until October, when he called you together and notified you that he had sent in his resignation? Where was he during that time?

Mr. TRAVERS. He was at some point in New Mexico, I believe, in a Government hospital.

The CHAIRMAN. Then he returned from New Mexico in 1909, and after tendering his resignation where did he go then?

Mr. TRAVERS. He went back to New Mexico.

The CHAIRMAN. And did he remain there for the year following?

Mr. TRAVERS. As far as I know, he remained in New Mexico or Arizona until March of this year, when he returned to Washington in connection with official business of the Indian Department.

The CHAIRMAN. What position, if any, do you know that he holds with the Government at this time?

Mr. TRAVERS. It is my information that he is superintendent of an Indian Agency at Keams Canyon, Ariz., which position he was appointed to on December 1, 1910.

The CHAIRMAN. Mr. Travers, during the absence of Mr. Lawshe did the Postmaster General devote considerable of his time to attending to the duties of the Third Assistant Postmaster General?

Mr. TRAVERS. Not to my knowledge, no, sir; except that—

The CHAIRMAN (interposing). Then, you may tell the committee who did, in fact, discharge the duties of the Third Assistant Postmaster General during Mr. Lawshe's absence.

Mr. TRAVERS. I did.

Mr. TOWNER. Mr. Travers, did you say that he was appointed as superintendent of an Indian agency in Arizona?

Mr. TRAVERS. Yes, sir.

Mr. TOWNER. What is the name of that agency?

Mr. TRAVERS. Keams Canyon.

Mr. REDFIELD. You said, Mr. Travers, that the Postmaster General did not discharge the duties of the Third Assistant Postmaster General except that—and you were going on, I think. What had you in your mind?

Mr. TRAVERS. Except that because of his general supervision of the whole department he would, of course, direct things to be done or not to be done. That would apply to all of the offices.

The CHAIRMAN. Did he give the office of Third Assistant any more attention during Mr. Lawshe's absence than he did when Mr. Lawshe was there serving as Third Assistant, to your knowledge?

Mr. TRAVERS. Possibly I was a little more careful in handling the business of the office to bring matters to Mr. Hitchcock's personal attention before I rendered any decision or before I took any action that would affect departmental policy. To that extent, possibly, Mr. Hitchcock gave the office more attention than if Mr. Lawshe had been there.

Mr. MCCOY. You mean you were more careful yourself when you were acting as Third Assistant?

Mr. TRAVERS. Yes, sir; and the responsibility of the position was rather great.

Mr. MCCOY. It has been stated here that during this period when Mr. Lawshe was absent the Postmaster General gave a great deal of attention to the matter of second-class mail matter which was in the jurisdiction of the Third Assistant Postmaster General. What is your recollection about that particular branch of the service in that connection?

Mr. TRAVERS. I think the Congressional Record of the last session, especially the closing hours, will give you the results of his labors on that.

Mr. MCCOY. Well, was it a fact that during that period he was giving unusual attention to the question of second-class mail matter?

Mr. TRAVERS. So far as the development of a new policy is concerned.

Mr. MCCOY. But no more attention than formerly, so far as the everyday details of running the office were concerned?

Mr. TRAVERS. No, sir.

Mr. ALEXANDER. Is it not a fact that Mr. Stewart formulated that report on second-class mail matter, the Second Assistant Postmaster General?

Mr. TRAVERS. On the cost of carrying it?

Mr. ALEXANDER. Yes.

Mr. TRAVERS. I do not know who prepared that report. There was a committee appointed by the Postmaster General, consisting of departmental experts—I think it was to review the report that was made to Congress on the cost of carrying the mail, and out of those figures and from the data contained in that report to present to him a statement showing the cost of carrying the various classes of mail matter. That report to Congress covered only the cost of carrying second-class matter, really.

Mr. ALEXANDER. I just had the impression that that report was written by Mr. Stewart.

Mr. TRAVERS. Of my personal knowledge, I do not know. I have heard it said that Mr. Stewart compiled that report.

Mr. ALEXANDER. I thought it showed that on its face.

Mr. AUSTIN. Mr. Stewart is the Second Assistant Postmaster General?

Mr. TRAVERS. Yes.

Mr. AUSTIN. That department does not handle second-class mail matter?

Mr. TRAVERS. Oh, yes. It has nothing to do with the classification end of it, but it has all to do with the transportation of it.

And this was an inquiry directed particularly to the cost of transporting second-class mail matter.

Mr. McCoy. Then, what has the Third Assistant Postmaster General to do, in the ordinary course of business, with second-class mail matter?

Mr. TRAVERS. Classify it and say whether a thing is or is not second-class mail matter, within the intent of the law.

The CHAIRMAN. During the time you were acting as Third Assistant Postmaster General did you conduct any hearings relative to the rulings that were then made relative to the admission of mail to the second class or the admission of newspapers to second-class rates?

Mr. TRAVERS. Yes, sir. Admissions to the second class are not made as the result of a hearing, but rather on a formal application filed at the post office at the point where the entry is sought.

The CHAIRMAN. Is it not a fact that when application is made for admission and admission is denied that the hearing follows?

Mr. TRAVERS. No, sir. What you have in mind is this: Where an investigation has been made concerning the practices of a publisher and his publication, and the evidence is such as to raise a doubt in the mind of the department as to the right of that publication to continue in that class, the publisher is cited to show cause, usually within 30 days, as to why the entry should not be annulled, on the ground that it does not conform to the statute in such and such particulars—then a citation of the grounds follows.

The CHAIRMAN. And during that time the paper is denied——

Mr. TRAVERS. Not until after a hearing is had and a decision rendered. Oftentimes it develops at these hearings that the publisher's practices are not venal.

Mr. McCoy. Mr. Travers, it has been testified here that during the absence of Mr. Lawshe in Arizona, during the period which you say he was absent, he did prepare, as Third Assistant Postmaster General, certain reports on the basis of data furnished him, as I remember it, from the office. Do you recollect any such thing as that?

Mr. TRAVERS. That Mr. Lawshe prepared certain reports?

Mr. McCoy. Yes.

Mr. TRAVERS. This is the first time I have ever heard of it.

Mr. McCoy. Well, is it likely that if such had been the fact it could have failed to come to your notice?

Mr. TRAVERS. If they were confidential reports I perhaps would have known nothing about it.

Mr. McCoy. No; I mean in the ordinary routine business of the office.

Mr. TRAVERS. They would have come to my attention, yes, sir.

Mr. ALEXANDER. I would like to call attention to the fact that no witness testified before the committee that Mr. Lawshe did perform any service during this period, except on information. You say Mr. Lawshe was absent in New Mexico from July 28, 1909, until October, 1909?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. Now, why was he absent?

Mr. TRAVERS. On account of ill health.

Mr. ALEXANDER. And do you know what he was doing in New Mexico, if he had any business interests there during that time?

Mr. TRAVERS. Between July and October?

Mr. ALEXANDER. Yes.

Mr. TRAVERS. He was in a hospital.

Mr. ALEXANDER. What hospital?

Mr. TRAVERS. I do not recall the name of it. It is a military hospital.

Mr. ALEXANDER. A Government military hospital.

Mr. TRAVERS. Yes, sir; I believe so.

Mr. ALEXANDER. Now, when he came back in October, as I understand you, he notified his department or bureau that he had tendered his resignation?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. Did he go back to New Mexico soon thereafter?

Mr. TRAVERS. I think within 10 days.

Mr. ALEXANDER. And you, when he left, assumed the duties of Acting Third Assistant Postmaster General?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. And continued to act in that capacity until when?

Mr. TRAVERS. Until the appointment of James J. Britt, December 1, 1910.

Mr. ALEXANDER. And at that time Mr. Lawshe's resignation was accepted?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. About 14 months after he had tendered it?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. Now, after Mr. Lawshe returned to New Mexico the second time, do you know what he did—whether he was engaged in any employment of any sort?

Mr. TRAVERS. I do not know; no, sir.

Mr. ALEXANDER. But I understand you to say that during his absence from the department here he did not discharge any of the duties of Third Assistant Postmaster General, to your knowledge?

Mr. TRAVERS. Not to my knowledge, not a single thing.

Mr. McCoy. You have said he attended conventions of newspaper men.

Mr. ALEXANDER. That was prior to July 28, 1909.

Mr. TRAVERS. On Mr. Lawshe's return from New Mexico, I think it was possibly the latter part of September, he did stop at Peoria, Ill., at the Postmaster General's request, to address a meeting of the Illinois Editorial Association, I think. He stopped over one day.

Mr. REDFIELD. During the period from the time he notified you he had tendered his resignation up to the 30th of November, 1910, did you sign papers as Acting Third Assistant Postmaster General?

Mr. TRAVERS. Yes, sir.

Mr. REDFIELD. And you carried on fully the ordinary and usual routine of the office as such officer?

Mr. TRAVERS. Yes, sir.

Mr. McCoy. Was Mr. Lawshe in the newspaper business or connected with it in any way?

Mr. TRAVERS. I think he had some interest in a newspaper in Indiana. Just what it was I do not know.

Mr. McCoy. Then, when he attended these conventions of newspaper men, do you know whether it is possible he did that as a newspaper man or as Third Assistant Postmaster General?

Mr. TRAVERS. Oh, as Third Assistant. It has been customary in the last few years for the department to send representatives to these meetings of the newspaper men, because it is highly beneficial to the department. It enables the man in charge of second-class matter to get face to face with the people he is doing business with at long range during the year, and it is very helpful in administration, because it gives newspaper people a better idea of what the department is trying to do, and it has invariably won over many friends for the department's policies.

Mr. McCoy. From whom did you learn that he was interested in a newspaper or was possibly interested in a newspaper?

Mr. ALEXANDER. Is that material?

Mr. McCoy. It has been stated about somebody, and I think probably Mr. Lawshe, that he was conducting a newspaper business while he was being paid by the Government. I may be mistaken in the man.

The CHAIRMAN. I just want to say, in defense of Mr. Lawshe, I believe as Mr. Travers has already stated, that when he was attending these newspapers conventions he was performing as much of a service for the Government as when he was in his office here in the city of Washington.

Mr. McCoy. Undoubtedly.

The CHAIRMAN. Because at that time new rulings had just been made affecting the newspapers, and there was considerable opposition on the part of the newspapers of the country, and he appeared before the newspaper convention for the purpose of explaining to the newspaper men the policy of the department and the reasons for it.

Mr. McCoy. I have no doubt in the world about that. My questions along that line were because I thought I remembered it had been stated about some one in the Post Office Department that while he was in the Government employ he had been conducting a newspaper business, and I thought probably it was Mr. Lawshe.

The CHAIRMAN. No; I think not.

Mr. TRAVERS. I want to say that from information I got from Mr. Lawshe himself, in my opinion he had disposed of whatever interest he had in any newspaper business fully a year before he was taken sick, and more than a year before he attended any of these conventions of newspaper people.

Mr. McCoy. At any time while he was Third Assistant Postmaster General was he conducting a newspaper business?

Mr. TRAVERS. No.

Mr. McCoy. He was appointed in 1907, was he not?

Mr. TRAVERS. Yes. You say "conducting a newspaper." He may have had financial interests in a newspaper, but he was not conducting one.

Mr. McCoy. Was he giving any attention to carrying on the business?

Mr. TRAVERS. No; not at all.

Mr. AUSTIN. Mr. Lawshe tendered his resignation on account of his health, did he not?

Mr. TRAVERS. Yes.

Mr. AUSTIN. And did he not contract tuberculosis while he was in the Government service, either in the Philippines or in Cuba?

Mr. TRAVERS. I could not answer that.

Mr. AUSTIN. You do not know?

Mr. TRAVERS. No, sir. He had a slight hemorrhage in the office there one day in May, 1909.

Mr. TOWNER. Mr. Travers, during the time when Mr. Lawshe was away and the office was in your charge you would hardly say that the Government suffered on account of that, would you?

Mr. ALEXANDER. That is rather a delicate question for him to answer.

Mr. TOWNER. No; I think it is a perfectly fair question.

Mr. TRAVERS. I will answer that question in this way: Mr. Hitchcock told me personally that he was very well satisfied with the way I was conducting the business of that office and to continue on the lines along which I was working.

Mr. TOWNER. This position of Third Assistant Postmaster General was not in the classified service, Mr. Travers, was it?

Mr. TRAVERS. No, sir.

Mr. TOWNER. Do you know of any law or formulated rule with regard to the absences or the reasons for absences with regard to the class of offices to which Mr. Lawshe belonged?

Mr. TRAVERS. The general law on the subject covers all officers and employees of the Government service.

Mr. TOWNER. Will you please tell me what that law is?

Mr. TRAVERS. Have you the Postal Regulations here?

Mr. TOWNER. Yes, sir.

Mr. TRAVERS. I find upon examination that the act I had in mind of March 15, 1898, does not cover officers in the class to which Mr. Lawshe belonged.

Mr. TOWNER. Now, Mr. Travers, do you know of any other provision of the law or formulated or published rule with regard to the absences of officers of the class to which Mr. Lawshe belonged?

Mr. TRAVERS. Nothing save the general rule of the Post Office Department governing leaves of absence.

Mr. TOWNER. Which applies, as I understand it, to employees in the classified service?

Mr. TRAVERS. Yes, sir.

Mr. TOWNER. And not to officers in the class to which Mr. Lawshe belonged?

Mr. TRAVERS. No, sir.

Mr. TOWNER. Now, Mr. Travers, during the time that Mr. Lawshe was absent there was a special investigation and special attention given by the Post Office Department to what is denominated the controversy with regard to second-class matter and its classification, was there not?

Mr. TRAVERS. I do not recall just when it began. I think it began before Mr. Lawshe left the office.

Mr. TOWNER. Yes; but perhaps became very important and very vital in so far as the interests of the administration of the department were concerned during the time of his absence?

Mr. TRAVERS. I think possibly that is so, yes.

Mr. TOWNER. I will ask you if it did not become so much so that the Postmaster General took upon himself particularly the investigation of that particular subject?

Mr. TRAVERS. Well, he was intensely interested in the subject of second-class matter with respect to its great cost to the service.

Mr. TOWNER. In order to be a little more specific, it was especially—if I might perhaps be pardoned for calling it so—the desire of the present Postmaster General to reduce the deficit in the Post Office Department, was it not?

Mr. TRAVERS. I think Mr. Hitchcock's desire to reduce the deficit in the Post Office Department was not aimed wholly at the second-class matter, because throughout every end of the department he effected economies and reforms and saved thousands and thousands of dollars in various ways.

Mr. TOWNER. Now, won't you please read the question? I did not have reference to the second-class matter in this question.

(The stenographer read the question referred to.)

Mr. TOWNER. Now, won't you please answer that question again, Mr. Travers?

Mr. TRAVERS. It was well known by everybody connected with the service that Mr. Hitchcock's one great desire was to put the department on a self-sustaining basis and to eliminate waste and to eliminate useless expense.

Mr. TOWNER. Certainly. Now as a very great item of this expense was the transportation and other expenses connected with the second-class mail matter part of the operations of the department, did he not devote, during the period of Mr. Lawshe's absence, especial time and attention to that particular subject?

Mr. TRAVERS. Oh, yes. He put a great deal of his time, so far as I am informed, on the question of policy as to what new legislation should be formulated, if such was needful.

Mr. ALEXANDER. That would not have come under Mr. Lawshe's jurisdiction. That is a part of the duty of the Postmaster General, to formulate policies for the department?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. And carry out economies or suggest them to the heads of the departments where they were not doing that?

Mr. TRAVERS. Well, it works both ways. The head of a bureau or the head of a division submits to his chief——

Mr. ALEXANDER. But this whole question of the cost of carrying second-class mail matter is not under the jurisdiction of the Third Assistant Postmaster General?

Mr. TRAVERS. The transportation of mail matter is under the Second Assistant. It is not a matter that affects the Third Assistant's administration.

Mr. ALEXANDER. That was my understanding. Mr. Stewart is the Second Assistant?

Mr. TRAVERS. Yes, sir.

Mr. TOWNER. What particular thing does the Third Assistant Postmaster General have to do with second-class matter?

Mr. TRAVERS. The Third Assistant Postmaster General classifies all mail matter. He classifies second class, determines whether it shall have the pound rate——

Mr. TOWNER (interposing). That is understood now, Mr. Travers. Was not the great controversy, or one of the great controversies, between the department and the newspapers and other men with regard to the classification of second-class matter and as to whether it should pay a lesser or a greater rate than had been paid previously?

Mr. TRAVERS. There have always been differences of opinion between publishers and the department as to the proper classification of second-class matter. But the main point, as I understand your question, is the controversy between the publishers and the department as to whether there should be a higher rate.

Mr. TOWNER. Certainly.

Mr. TRAVERS. For second-class matter in general.

Mr. TOWNER. That is a question of classification, is it not, and not a question of transportation?

Mr. TRAVERS. No, sir; that is a question of transportation.

Mr. TOWNER. Perhaps I misunderstand, but I understand the question of transportation is the question of what the Government pays to the railroad companies for transporting the mails; is not that it?

Mr. TRAVERS. Well, in addition to the question of transportation, there is a wider term, possibly, that should be used, that of handling, in which we in the department used to include clerk hire and transportation and everything.

Mr. TOWNER. Now let us clear this matter up, Mr. Travers. The question of what is paid by the Government for the transportation of the mails is a question that would come under the Second Assistant Postmaster General's jurisdiction, would it not?

Mr. TRAVERS. Yes, sir.

Mr. TOWNER. The question of the classification of second-class matter with regard to what should be paid to the Government, as postage or payment, whatever you choose to call it, to the Government, is a question that would come under the Third Assistant Postmaster General's jurisdiction, would it not?

Mr. TRAVERS. That is correct; yes, sir.

Mr. ALEXANDER. Is there any question about a magazine being second-class mail matter?

Mr. TRAVERS. That depends on a great many circumstances, Judge; whether it is a magazine or a periodical or a newspaper is immaterial, so long as it conforms to statutory requirements.

Mr. ALEXANDER. Is not the controversy now between the publishers of periodicals and magazines and the department that the department insists that the present cost of carrying second-class mail matter, such as the magazines, is greater than the amount they pay?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. And for that reason the Postmaster General has insisted that the rate for carrying second-class mail matter should be more than 2 cents?

Mr. TRAVERS. Yes, sir; that is correct.

Mr. ALEXANDER. There has not been any controversy about the matter itself being second-class matter?

Mr. TRAVERS. There is no controversy about that.

Mr. ALEXANDER. If there had been, that would have to be settled by the Third Assistant?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. But the controversy is about the cost?

Mr. TRAVERS. Yes, sir.

Mr. ALEXANDER. And that is under the supervision of the Second Assistant?

Mr. TRAVERS. Yes, sir.

Mr. TOWNER. Now, let us see whether it is or not. How can it be a question of cost when the cost depends entirely upon whether it is classified properly or not?

Mr. ALEXANDER. There is no question about the classification.

Mr. TOWNER. Just let the witness answer that question.

Mr. TRAVERS. Well, there is a somewhat different treatment accorded second-class mail matter than is accorded first class. It is less expensive. If the matter were second class, sent in great bulk from New York, much of it is made up in the office of publication and sacked and routed and taken to the trains in bulk. A great deal of it is put in what they call storage cars. There is less expense involved in handling it if it is second-class matter.

Mr. TOWNER. Exactly; and the questions in any given case that you have to determine about any controversy that arises with any newspaper, periodical, or magazine, as to whether or not it shall be charged first, second, or third class rates, is one that is dependent on the classification, and that goes to the Third Assistant Postmaster General, does it not?

Mr. TRAVERS. Yes, sir.

Mr. REDFIELD. Mr. Travers, is there any question of classification at all here? Is not any newspaper, magazine, or periodical which conforms to certain fixed conditions stated in the law classified without the act of anybody?

Mr. TRAVERS. No, sir.

Mr. REDFIELD. That is so, is it not?

Mr. TRAVERS. You mean that it is automatic—that it classifies itself automatically?

Mr. REDFIELD. Not quite. I mean that the conditions under which a periodical, newspaper, or magazine becomes second-class matter are fixed by law?

Mr. TRAVERS. Yes, sir; they are.

Mr. REDFIELD. And when they conform to that law—observe carefully what I say—when they conform to that law, they are classified by the law and not by anybody else?

Mr. TRAVERS. No; the department has to ascertain the facts first as to whether they do conform.

Mr. REDFIELD. Yes.

Mr. TRAVERS. There has to be an ascertainment of conditions and facts, circulation, character of the publication, and all that before the law can operate. The third assistant is the one who says whether it does conform to the law or not.

Mr. MCCOY. Let me ask you this question: We started out to ascertain what the burning crucial question was in regard to second-class mail matter, which was agitating the mind of the Postmaster General during the period of Mr. Lawshe's absence. Now, that question, which was then the burning question, is so still, whether it was one which did not involve any question of classification, but whether or not a thing which was already classified without dispute should pay more or less postage. Is not that the fact?

Mr. TRAVERS. Yes, sir.

Mr. AUSTIN. Mr. Travers, have you had anything to do with this investigation of the Post Office Department by this committee?

Mr. TRAVERS. No, sir; not a thing.

TESTIMONY OF ROBERT S. SHARP, CHIEF POST OFFICE INSPECTOR.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Sharp, you will please tell the committee in what State and city you hold your residence.

Mr. SHARP. I am a resident of the State of Tennessee and the city of Chattanooga.

The CHAIRMAN. What position do you now hold in the Government service?

Mr. SHARP. Chief post-office inspector of the Post Office Department.

The CHAIRMAN. Since when were you appointed to that position?

Mr. SHARP. I was qualified on the 4th day of May, 1910.

The CHAIRMAN. What service had you had in the inspectors' office before you were appointed chief inspector?

Mr. SHARP. I was the principal clerk in the Washington division of post-office inspectors, afterwards the principal clerk and chief clerk of the division of post-office inspectors at Chattanooga, Tenn., which comprises the Southern States; was postmaster for nearly eight years and a half, and was inspector in charge of the southern division of post-office inspectors.

Mr. AUSTIN. State where you were postmaster?

Mr. SHARP. At Chattanooga.

The CHAIRMAN. As soon as you were appointed chief inspector, did you at once enter upon the duties of that office?

Mr. SHARP. I did, yes, sir; very shortly after that; I think within 30 days afterwards, just as soon as I could turn loose the other position that I was at that time holding.

The CHAIRMAN. What position were you holding at the time you were appointed chief inspector?

Mr. SHARP. I was collector of internal revenue for the district of Tennessee at the time I was appointed chief inspector.

The CHAIRMAN. When did you sever your services as internal-revenue collector?

Mr. SHARP. I think it was a few days before I qualified as chief inspector.

The CHAIRMAN. When did you qualify as chief inspector?

Mr. SHARP. The 4th day of May, 1910.

The CHAIRMAN. And since you qualified as chief inspector, you have given your time entirely to the duties of that office?

Mr. SHARP. I have attended to nothing else but that, sir.

The CHAIRMAN. You have been here in Washington in the discharge of your duties ever since you were appointed, continuously?

Mr. SHARP. No, sir. I have made several trips to New York, a trip to St. Louis, and a trip to Chattanooga. I made one trip afterwards to Nashville to adjust some matters as collector of internal revenue, and another trip to Nashville.

The CHAIRMAN. About how many days have you spent in your own State since you became chief inspector?

Mr. SHARP. I do not think I have spent altogether as much as 10 days in the State since I have been chief inspector.

Mr. ALEXANDER. Did you take any part in the political campaign in 1910 in Tennessee?

Mr. SHARP. You mean in the election of the candidates for office?

Mr. ALEXANDER. In the campaign. I do not know whether you have primaries or conventions in Tennessee.

Mr. SHARP. Shortly after my appointment as chief inspector, I think within three weeks or a month afterwards, I do not remember exactly, I was a delegate to the State convention that nominated a candidate for governor.

Mr. ALEXANDER. Did you attend?

Mr. SHARP. I did; yes, sir.

Mr. ALEXANDER. You left Washington and returned to Tennessee for the purpose of participating in the convention as a delegate?

Mr. SHARP. Not for that purpose alone; no, sir. I had a conference with the inspector in charge of the division of post-office inspectors at Chattanooga regarding some business matters.

Mr. ALEXANDER. What was it called you away from Washington to Tennessee at that time?

Mr. SHARP. For the double purpose of attending to that business, and at the same time attending the convention—killing two birds with one stone.

Mr. ALEXANDER. Now, was this official business that you say you were going to Tennessee to attend to?

Mr. SHARP. I did not quite catch that question.

Mr. ALEXANDER. I say, did you go back there to attend to official business?

Mr. SHARP. I went back there for that purpose, and also for the purpose of attending the convention.

Mr. ALEXANDER. That was a State convention?

Mr. SHARP. That was a State convention; yes, sir.

Mr. ALEXANDER. And you were a delegate from Chattanooga?

Mr. SHARP. A delegate from Hamilton County, which was my home county.

Mr. ALEXANDER. Is Chattanooga in that county?

Mr. SHARP. Chattanooga is the county seat.

Mr. ALEXANDER. Now, when were you selected as a delegate to the State convention?

Mr. SHARP. I do not remember, sir.

Mr. ALEXANDER. Was it before or after you were made chief inspector?

Mr. SHARP. I think that was previous to my being made chief inspector.

Mr. ALEXANDER. And when was the State convention held?

Mr. SHARP. It was held about, as near as I can remember, three weeks, it seems to me, after I qualified as chief inspector.

Mr. ALEXANDER. And how long were you absent from here in attendance on that convention?

Mr. SHARP. I think I was absent about four or five days.

Mr. ALEXANDER. And tell the committee whether or not you paid your expenses—personal expenses, railroad fare, and hotel bills—while you were absent attending that convention, or whether it was included in your official expense account?

Mr. SHARP. I paid my own expenses on that trip.

Mr. ALEXANDER. From here to Tennessee?

Mr. SHARP. Yes; all the hotel bills and things of that character. The railroad fare—I used my commission on that trip.

Mr. ALEXANDER. Did you make any speeches there?

Mr. SHARP. I made a speech at that convention; yes, sir.

Mr. ALEXANDER. Now, is that the only time that you participated in the campaign of 1910?

Mr. SHARP. That is the only thing I did in that campaign.

Mr. ALEXANDER. Have you any official connection in Tennessee now with the party organization as a State committeeman or a national committeeman?

Mr. SHARP. No, sir; none that I know of.

Mr. ALEXANDER. Now, were you made chief inspector under the civil-service law—were you selected from a list of eligibles for that position?

Mr. SHARP. No, sir; I was not.

Mr. ALEXANDER. How did you secure your appointment?

Mr. SHARP. The Postmaster General appointed me.

Mr. ALEXANDER. Were you eligible at the time of your appointment under the civil-service law? I am asking this for information.

Mr. SHARP. The civil-service law did not apply to this position, I do not think.

Mr. ALEXANDER. You say the civil-service law does not apply to you?

Mr. SHARP. To the position of chief post-office inspector; no, sir.

Mr. ALEXANDER. May the Postmaster General appoint as chief inspector one who is not qualified under the civil-service law, unless there is an order made excepting the appointment?

Mr. SHARP. I think the order was made excepting the position.

Mr. ALEXANDER. Otherwise you would not have been eligible?

Mr. SHARP. Unless I should be reinstated in the service on account of my past experience as a postmaster and as an inspector.

Mr. ALEXANDER. How long had you served as a collector of internal revenue?

Mr. SHARP. I had served about two years.

Mr. ALEXANDER. That was immediately prior to your appointment as chief inspector?

Mr. SHARP. Yes, sir.

Mr. ALEXANDER. And prior to that, what had been your service?

Mr. SHARP. Prior to that I was general sales manager of a combination of hosiery mills—four or five hosiery mills.

Mr. ALEXANDER. And how long had you been in that service?

Mr. SHARP. About two years.

Mr. ALEXANDER. And what had been your occupation immediately preceding that?

Mr. SHARP. I resigned the position of postmaster at Chattanooga to accept that place.

Mr. ALEXANDER. And how long had you been postmaster?

Mr. SHARP. About eight years and a half.

Mr. ALEXANDER. Did I understand you to say you had been a post-office inspector prior to that time?

Mr. SHARP. Yes, sir.

Mr. ALEXANDER. How long?

Mr. SHARP. About a year, in charge of a division.

Mr. ALEXANDER. Was that all the experience you had ever had as a post-office inspector until you were made chief inspector here in Washington?

Mr. SHARP. I had three years' experience as chief clerk of that division.

Mr. ALEXANDER. As chief clerk of the Chattanooga division?

Mr. SHARP. Yes, sir; comprising the five Southern States.

Mr. ALEXANDER. And that is all the experience you had had until you were made chief inspector here in Washington?

Mr. SHARP. No, sir.

Mr. ALEXANDER. Did you have any other—did you say “yes, sir” or “no, sir?”

Mr. SHARP. It was not; no, sir.

Mr. ALEXANDER. Please state what other experience you have had.

Mr. SHARP. I was clerk of the Washington division of post-office inspectors, which also comprised five States.

Mr. ALEXANDER. How long?

Mr. SHARP. For about two years and a half. I can not tell you just exactly. That was quite awhile ago, but I know at least a year and a half.

Mr. ALEXANDER. You were appointed by the Postmaster General?

Mr. SHARP. Yes, sir.

Mr. ALEXANDER. Now, you say you were a delegate to the State convention? Had you held any position up to the time of your appointment in Tennessee—as a member of any party organization?

Mr. SHARP. At the time I was appointed collector?

Mr. ALEXANDER. At the time you were appointed chief inspector?

Mr. SHARP. No, sir; I did not hold any position at that time in the party organization.

Mr. ALEXANDER. Had you prior to that, and when?

Mr. SHARP. Some time prior to that I was a member of the State committee. I think that was in 1897 or 1898, I do not remember which.

Mr. ALEXANDER. 1897 or 1898, or 1907 or 1908?

Mr. SHARP. 1897 or 1898, I think it was.

Mr. ALEXANDER. You have not held any active connection with any political committee since that time?

Mr. SHARP. Not that I can remember, sir.

Mr. TOWNER. Mr. Sharp, you were not in Tennessee when you were elected a delegate to the State convention?

Mr. SHARP. I think I was, yes, sir.

Mr. TOWNER. You think you were?

Mr. SHARP. I think I was, yes, sir.

Mr. TOWNER. You think that was about three weeks before the convention, did I understand you to say?

Mr. SHARP. That I was chosen chief inspector?

Mr. TOWNER. Yes.

Mr. SHARP. I think so. I could get those exact dates, sir, if I could write home and get the newspapers.

Mr. TOWNER. What I mean by the question is, when you were selected, it was not when you were selected delegate, it was when you were appointed chief of this inspector service, which was three weeks before the convention?

Mr. SHARP. I would desire to say this for the information of the committee, that there were a number of matters connected with the office of collector of internal revenue, which is located at Nashville, Tenn., the point where the convention was held, that were unad-

justed. I mean by that, cases pending in court. I had at that time a conference with Mr. Keibel, who was handling a number of the cases, and also with the chief deputy, my old chief deputy.

Those matters were attended to by me while I was there. And in that office of collector of internal revenue, on account of the very vigorous position that was taken by me as collector in the enforcement of the law, it became necessary to make a number of seizures and arrests with a view of enforcing the law; that action of law enforcement upon my part precipitated more or less of an issue in Tennessee, in regard to the liquor question, which I did not officially take any interest in. I refused to give any interviews to the newspapers regarding the same, with the exception of a simple statement of the statute under which the action was taken by me. The full reports are on file with the collector of internal revenue. The fight in Tennessee at that time was hardly a political fight, in the sense of drawing partisan lines. It was a fight of the moral element which was against whisky, and what is considered the antiwhisky element—a combination of independent Democrats and Republicans. Personally I was in favor of the law-and-order side of the question. I took no active interest in the matter except that I found that my name was being extensively used by not only the independent Democrats, the majority of the Democratic newspapers having, as I understand, requested me to run for governor, but by a large and enthusiastic element of Republicans. I had promised Postmaster General Hitchcock to come to Washington previous to that and help him in a number of big matters in the Post Office Department, which he said he desired to do; and knowing of that promise and realizing that my nomination would have been disastrous for that cause at that time, on account of the fact that I was known as a strong and enthusiastic partisan of law enforcement, I did not feel that under the circumstances I should desert the cause at that time, especially when my name was being used for governor, and I did not want the nomination, and had I been nominated I would have refused it. So my presence at Nashville was not only imperative from a business standpoint, to adjust the matters of the office of collector of internal revenue, but it was imperative from the standpoint of the welfare of the State, as a whole, as I considered it.

Mr. TOWNER. Mr. Sharp, what, if anything, did you do to secure your nomination as a delegate to the State convention?

Mr. SHARP. Absolutely nothing, sir.

Mr. TOWNER. What did you do after you were notified that you were elected as a delegate, with regard to influencing the action of other delegates, or with regard to securing the nomination of any particular candidate or candidates?

Mr. SHARP. I made a speech at a critical hour in the convention, seconding the nomination of the present governor of Tennessee, because I believed then, as I believe now, that he was eminently fitted for that place, at that crucial moment in the affairs of the State.

Mr. TOWNER. Did you write letters or personally seek to influence the action of delegates, prior to the time of the convention?

Mr. SHARP. I do not call to mind any particular letters I wrote. I can not call to mind a single letter I wrote. I would be glad to know whether I did or not, but I can not think of any.

Mr. TOWNER. Of course, I have no knowledge whatever. The object of the inquiry is that you shall state to the committee in a general way what was the extent of your political activities. That is about all.

Mr. SHARP. I think I have stated the substance of it. I was deeply interested in seeing the right man nominated on account of the great question which was involved. I took no part in that convention except to take my seat on the convention floor in the rear of the house, and when I saw certain elements in the convention which I knew in the past had been allied with the whisky element of the State, I thought it was time for me to use what influence I had toward nominating the right man.

Mr. TOWNER. And to do what you have said you have done in the convention?

Mr. SHARP. Precisely.

Mr. TOWNER. And is that a fair statement of your activities, politically, with regard to that convention, Mr. Sharp?

Mr. SHARP. I think that is a fair statement with regard to that convention. I was in several caucuses the night before, but as to my actual activities, that was my part in it.

Mr. AUSTIN. I wish the chairman to state that I have not inspired this examination of Mr. Sharp. I desire that statement made because Mr. Sharp and I have not been exactly very friendly, and as I am a member of the committee, I want that known.

Mr. ALEXANDER. I am perhaps in a better position to state that than the chairman, that Mr. Sharp's presence here and this investigation was not inspired by Mr. Austin, or suggested by him in any way whatever.

The CHAIRMAN. Yes; that is absolutely correct.

Mr. SHARP. What is the necessity for that, Mr. Austin?

Mr. AUSTIN. You and I belong to different factions in Tennessee, and politically we have not been friendly, and as I am a member of this committee, I just want it understood that I had nothing to do with your investigation.

Mr. SHARP. We have always been personal friends, and I am quite sure you would not indulge in anything that would be inappropriate.

(Thereupon the committee proceeded to the consideration of executive business, after which it took a recess until 2.30 o'clock p. m.)

No. 2

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

**TO INVESTIGATE THE POST OFFICE
DEPARTMENT**

MAY 24, 1911



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call

WILLIAM A. ASHBROOK (Chairman), of Ohio.

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, *Clerk.*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

COMMITTEE ON EXPENDITURES IN THE POST OFFICE
DEPARTMENT, HOUSE OF REPRESENTATIVES,
Wednesday, May 24, 1911.

The committee met at 2.30 o'clock p. m., Hon. William A. Ashbrook (chairman) presiding.

TESTIMONY OF MR. M. O. CHANCE.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Chance, what connection, if any, have you with the Post Office Department at this time?

Mr. CHANCE. I have not any.

The CHAIRMAN. How long since you severed your connection with the Post Office Department?

Mr. CHANCE. I have not been connected with the Post Office Department since 1908; but I was Auditor for the Post Office Department, under the Treasury Department, up until March 7 of this year.

The CHAIRMAN. And since that time you have had no connection whatever with the Post Office Department or the auditor's office under the Treasury Department?

Mr. CHANCE. No.

The CHAIRMAN. What knowledge have you as to a special committee that was appointed during the latter part of 1908 for the purpose of examining time recorders in the Post Office Department?

Mr. CHANCE. Just in a general way I remember it as it passed through at that time. I could not give you the date. I suppose your dates are correct. But I know that there was such a committee appointed, made up of several postmasters—Bean, Bacharach, and Owen—and, I believe, a post-office inspector.

The CHAIRMAN. I would state to the committee that Mr. Chance is now no longer employed as the Auditor for the Post Office Department. He has been succeeded by Mr. Kram, who is present, with the papers, I presume, called for; and if any member wishes to inquire of Mr. Chance he may have that opportunity.

Mr. ALEXANDER. Were you Auditor for the Post Office Department at the time this special committee to investigate the question of the purchase of time recorders was appointed and acted?

Mr. CHANCE. Yes, sir; I was.

Mr. ALEXANDER. Were their expense accounts submitted to you for approval?

Mr. CHANCE. Yes.

The CHAIRMAN. And did you approve them?

Mr. CHANCE. Yes; they were finally approved as correct, so far as proper entries for expenditures, and so forth. Of course, as auditor

I had nothing to do at all with the appointment of the committee or anything to do with the expenses, except carrying out the law, to see that the vouchers were filed for which claim was made.

Mr. ALEXANDER. Did these expense accounts come to you in the first instance for approval, and did you refer them to the Postmaster General, or did he request them to be referred to him?

Mr. CHANCE. As I remember it, these accounts came to me with a batch of others. We get, of course, a great many of those things every day over there for the Post Office Department. They were brought to my especial attention, and I in turn took them up informally with the Postmaster General, and he asked me then to prepare a memorandum or a statement segregating these expenses, giving the items, so that he could see just how the money was spent. I did that unofficially and returned them to him, and then, after that, they were returned to me some months after that. They were held in the Post Office Department for some months, and then they were sent, as I remember it; a number of items were cut out and the total expense was cut down quite a good deal, if I remember. I have not seen the papers now, you understand, for some time.

The CHAIRMAN. These papers are not in Mr. Chance's custody, and unless Mr. Kram is willing that Mr. Chance should have them——

Mr. McCoy. They were under his supervision at the time, and it is perfectly competent for him to take them and refresh his recollection and make statements from them.

Mr. KRAM. Mr. Chairman, I desire to make a suggestion. I am an officer of the Treasury Department. Your communication was addressed to the Postmaster General, who acquainted me with the wishes of the committee. Of course he had no authority to direct me to appear here, and I was unable to communicate with the head of the Treasury Department to get authority to appear before your committee; and to cover that omission, if you please, I would like to be subpoenaed to appear with these papers. Could that be done at this time? I did not hesitate to bring the papers here on my own account, but as an official of the Treasury I would not allow Mr. Chance to take them and handle them, as he is not at this time connected with the department, and I have no authority to permit them out of my custody.

The CHAIRMAN. Under the circumstances, I think for the present we will excuse you, Mr. Chance, and will ask Mr. Kram to testify.

EXHIBIT 1.

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 23, 1911.

HON. WILLIAM A. ASHBROOK,
*Chairman Committee on Expenditures
in the Post Office Department, House of Representatives.*

MY DEAR MR. ASHBROOK: I have asked the Auditor for the Post Office Department, Mr. Charles A. Kram, whom you summoned to testify before your committee to-morrow afternoon regarding the expenses of the time-recorder commission appointed by my predecessor, to hand you the accompanying memorandum from the First Assistant Postmaster General on the work of that commission, and I have to request that the memorandum be read to the committee for its information and be made a part of its records.

While I can not claim any credit for the results accomplished by the commission, as its work was performed in a preceding administration, I think

you will agree with me, when you examine into the facts, that the economies growing out of the investigation have far exceeded the expenses incurred by the commission.

Yours, very truly,

FRANK H. HITCHCOCK.

[Memorandum for the Postmaster General.]

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
Washington, May 23, 1911.

With reference to your request for a memorandum relative to the report made by Messrs. Owen, Bean, Bacharach, and Wardle regarding time recorders for use in the postal service, I have the honor to report as follows:

About 1898 a contract was entered into with the Bundy Time Clock Co. for the use of a mechanical device for recording the time of clerks and carriers, and between 1898 and 1903 a large number of recorders, known as the Bundy time clock, were purchased and set up in practically all of the free-delivery post offices. During the investigation of the postal service in 1903 the purchase of these time recorders was discontinued because of the disclosures resulting from this investigation—the president of the company and the superintendent of the Salary and Allowance Division having been indicted for conspiracy to defraud the United States. Consequently, no recorders of any kind were purchased between 1903 and 1909, or until the report of this committee was made.

As time passed the recording devices of the Bundy clocks gradually wore out and the cost of keeping them in repair became excessive. The need for a modern mechanical device for recording the time of arrival and departure of clerks and carriers became more and more urgent. From time to time new devices were submitted to the department and were tested in various post offices. On June 10, 1908, a committee was appointed, consisting of J. R. Harrison, inspector in charge of the Washington division; Bliss N. Davis, assistant superintendent of the Division of City Delivery; and George W. Knowles, assistant postmaster of Philadelphia, Pa., to ascertain the result of the tests made in the various post offices of the different devices that had been submitted. The committee made a preliminary investigation, but did not agree on any particular device, and suggested the appointment of a new committee to go into the matter thoroughly. Accordingly on January 7, 1909, a committee was appointed, consisting of Mr. David C. Owen, postmaster of Milwaukee; Mr. Harry Bacharach, postmaster of Atlantic City; Mr. George W. Bean, postmaster of Tampa, Fla.; and Mr. J. R. Harrison, inspector in charge of the Washington division, "to investigate thoroughly the subject of time recorders as used for recording the time of employees and to recommend the adoption by the Post Office Department of the recorder found to be the best adapted in every particular for use in keeping the time of clerks and city letter carriers in the postal service." Mr. Harrison, who had been a member of the former committee, was relieved from duty at his own request by order of January 23, 1909, and Inspector James H. Wardle substituted.

I suggested to the Postmaster General the names of a number of postmasters, Mr. Bean amongst others, because of his knowledge of mechanics, he being a marine engineer. It was necessary to have a committee of high officials outside of the bureaus of the department because of the scandal connected with the purchase of recorders under the former contract. All of the men selected have excellent records as postmasters, were known to be young and capable business men, and it was believed that they would make a fair and impartial investigation and that their post offices represented fairly the varying conditions of the entire service. The committee made a painstaking investigation, visited practically every concern in the country engaged in the manufacture of time recorders, in 16 cities, factories, department stores, and post offices, and recommended the purchase of two classes of clocks, the Hawley time recorder and the International time recorder. The latter was said to be best adapted to all classes of offices. Accordingly the report was referred to the purchasing agent with instructions to take up with the two companies the question of entering into a contract for the recorders. Under the contract secured by the purchasing agent the price of the Hawley clock is \$150. The International clock is \$150, less a discount of 10 per cent provided 50 or more are purchased. The company also allows a rebate of \$25 on all Bundy clocks turned in. The

Hawley Co. allows a rebate of \$5. In actual use the International clock proved to be the best adapted for both the clerks and carriers and as a result only 50 Hawley clocks have been purchased. Two hundred and eighteen time recorders of the International Co. have been purchased. Undoubtedly the result of the work of the committee has fully justified the expense of the investigation it made, as reports from postmasters of the larger offices that have been completely equipped with the International recorders show that the use of the device effects a large saving in clerk hire as well as a saving in the time of the carriers. It is estimated that one clock recording the time of 100 employees will pay for itself about four times each year in the saving in clerk hire. In other words, a time recorder used by 100 employees saves the services of a \$600 clerk each year. The use of these devices has enabled the department to do away with the trip report made by letter carriers, since the registration on the cards used not only shows the actual time of service but the beginning and ending of each trip, and it is estimated that five minutes each day is saved in the time of letter carriers where the clocks are used.

The following is quoted from the report of Mr. Herbert S. Wood, an assistant superintendent of the Division of Salaries and Allowances, who made an investigation of the methods of handling the records of employees' time of service:

"Every carrier registering on the new recorder thus saves on an average not less than five minutes a day. With 25,000 carriers there would thus be an apparent daily economy of 2,000 hours, equivalent to 250 men, or a quarter of a million dollars a year. * * * I am convinced as a result of a careful observation that the saving in the clerical labor of computing time in the larger offices would fully pay within one year the cost of equipping such offices with new recorders."

In addition to the economy evidenced by this report, the principal fact of value to my mind is that we know absolutely the time carriers and clerks are working by reason of these recorders. Every large business concern uses a mechanical device of this character, as by no other means can an accurate account be kept of cost. I regard the time recorder as one of the greatest aids we have in increasing the working efficiency of the personnel of the postal service, as without its constant checking influence the hours of labor lost to the Government would be enormous.

I feel sure that the use of these recorders is one of the factors responsible for the wiping out of the enormous deficit, and therefore have no hesitancy in saying that the results obtained by this committee fully justify the expenses incurred.

Respectfully submitted.

C. P. GRANDFIELD,
First Assistant Postmaster General.

TESTIMONY OF CHARLES A. KRAM, AUDITOR FOR THE POST OFFICE DEPARTMENT.

The CHAIRMAN. Mr. Kram, please state the title of your connection with the Treasury and with the Post Office Department.

Mr. KRAM. I am at present the Auditor for the Post Office Department, having been appointed to that position May 9, 1911. I am an official of the Treasury Department, and in no way connected with the Post Office Department, except in so far as my duties require me to receive and examine the accounts and to report the receipts and expenditures of the postal service to the Postmaster General.

The CHAIRMAN. Mr. Kram, you have with you the papers that were asked for of the Postmaster General—that is, the expense accounts of this special committee which was appointed to investigate the question of the purchase of time recorders in the Post Office Department?

Mr. KRAM. I have. Mr. Chairman, the Postmaster General informed me of this call of your committee, and asked me to present here and to read to the committee a statement, which, with your per-

mission, I shall read as a preface to any explanation that you may call for as to the vouchers, and so forth.

Accompanying this letter are copies of the orders under which this committee traveled. I will read one, if you care to hear it.

The CHAIRMAN. We will be glad to have you do so.

Mr. KRAM (reading):

EXHIBIT 2.

Order No. 1450.]

POST OFFICE DEPARTMENT,
Washington, June 10, 1908.

Ordered that John R. Harrison, inspector in charge of the Washington division; Bliss N. Davis, assistant superintendent division of city delivery; and George W. Knowles, assistant postmaster, Philadelphia, Pa., be, and they are hereby, appointed a committee to examine into the question of time recorders for use in the postal service, to visit, if deemed necessary, the post office in cities where tests have recently been made of time-recording devices, and to report not later than June 25 the result of these tests; also, to secure proposals for furnishing a limited number of the device which, in the judgment of the committee, is best suited to the needs of the service.

The actual necessary traveling expenses of Mr. Davis and Mr. Knowles will be paid from the appropriation for "Incidental expenses, city delivery service, 1908."

G. V. L. MEYER, *Postmaster General*.

Order No. 1989.]

POST OFFICE DEPARTMENT,
Washington, January 7, 1909.

Ordered that David C. Owen, postmaster, Milwaukee, Wis.; Harry Bacharach, postmaster, Atlantic City, N. J.; George W. Bean, postmaster, Tampa, Fla.; and John R. Harrison, post-office inspector in charge of the Washington division, are hereby appointed a committee to investigate thoroughly the subject of time recorders as used for recording time of employees and to recommend the adoption by the Post Office Department of the recorder found to be the best adapted in every particular for use in keeping the time of clerks and city letter carriers in the postal service.

The actual and necessary traveling expenses of David C. Owen, Harry Bacharach, and George W. Bean, and other necessary expenses of the committee in pursuance of its investigation, will be paid from the appropriation for "Investigating labor-saving devices, 1909."

G. V. L. MEYER, *Postmaster General*.

I certify that this is a true copy of an original order signed by the Postmaster General, and is in effect.

R. P. COVERT, *Chief Clerk*.

Order No. 2031.]

POST OFFICE DEPARTMENT,
Washington, January 23, 1909.

Order No. 1989, dated January 7, 1909, appointing a committee to investigate the subject of time recorders, is amended by substituting for John R. Harrison, post-office inspector in charge of the Washington division, James H. Wardle, post-office inspector.

G. V. L. MEYER, *Postmaster General*.

Mr. ALEXANDER. Now, the committee's work was prosecuted under the present Postmaster General, was it not?

Mr. KRAM. It was not. The original order appointing this committee was dated January 7, 1909, and the last service performed by any member of this committee was March 11, 1909.

The CHAIRMAN. A few days after the change in the administration?

Mr. KRAM. Yes, sir.

The CHAIRMAN. If any member of the committee wishes to inquire of Mr. Kram as to the matter just read, he has that privilege. When

you have inquired as to that, we will want the expense accounts, because the inquiry relates more particularly to the expense accounts of this special committee.

Mr. REDFIELD. I hope, Mr. Chairman, we are not going into the question of the advisability of having time recorders.

The CHAIRMAN. That is not my understanding.

Mr. REDFIELD. Because I can of my own knowledge say that statements made there as to their universal use in every large establishment and as to their economy is all well within the truth. They are an essential thing where men are employed in numbers.

The CHAIRMAN. Yes; time recorders are in general use.

Mr. REDFIELD. Everywhere. I have used them for 20 years, and a man who would not have a time recorder would be a crank.

Mr. ALEXANDER. As I understand, that is not the question, but simply as to the expense accounts.

The CHAIRMAN. I will therefore ask Mr. Kram to produce the expense accounts of this committee.

Mr. KRAM. Mr. Chairman, do you want to make an examination of these accounts on your own account?

Mr. ALEXANDER. We want you to submit them and have the stenographer identify them.

The CHAIRMAN. What is the pleasure of the committee? We have had no opportunity to examine these accounts, and unless it is exceptionally long it ought to be read into the record.

Mr. ALEXANDER. Let it be identified as an exhibit, and then we can examine it or examine Mr. Kram about it.

Mr. KRAM. Mr. Chairman, we are up to the same difficulty that I saw in the way in the beginning. As I stated to you, I think the committee ought to give me some direction or authority for coming here with these accounts.

Mr. ALEXANDER. Why can the chairman not serve it and you acknowledge service of it?

The CHAIRMAN. Yes; that will be done.

Now, Mr. Kram, having been served with a subpoena to produce these papers, we will thank you to read to the committee the expense account.

Mr. KRAM. Mr. Chairman, as the auditor for the Post Office Department, I have prepared a brief memorandum which is an analysis of these three accounts. If you care to have that submitted and put into the record I will be glad to read it.

The CHAIRMAN. I do not think there is any objection to that.

Mr. KRAM. It is from the point of view of an accounting officer.

EXHIBIT 3.

[Memorandum in case of traveling expenses of David C. Owen, postmaster, Milwaukee, Wis.; Harry Bacharach, postmaster, Atlantic City, N. J.; and George W. Bean, postmaster, Tampa, Fla.]

TREASURY DEPARTMENT,
OFFICE OF AUDITOR FOR POST OFFICE DEPARTMENT,
Washington, May 23, 1911.

The act of Congress approved May 27, 1908 (35 Stat., 407), contains the following:

"For expenses incident to the investigation and testing of mechanical and labor-saving devices, under the direction of the Postmaster General, for use in the postal service, ten thousand dollars."

The Postmaster General's order, No. 1989, dated January 7, 1909, appointed Messrs. Owen, Bacharach, and Bean, and John R. Harrison, post-office in-

spector in charge, Washington, D. C., members of a committee to investigate thoroughly the subject of time recorders as used for recording time of employees and to recommend the adoption by the Post Office Department of the recorder found to be best adapted in every particular for use in keeping the time of clerks and city letter carriers in the postal service. The order directed that the actual and necessary traveling expenses of Messrs. Owen, Bacharach, and Bean, "and other necessary expenses of the committee in pursuance of its investigation" be paid from the appropriation above quoted.

The following is a statement of the accounts as submitted and audited:

Names of claimants.	Amount of bill submitted.	Amount disallowed or suspended by auditor.	Amount allowed by auditor.
D. C. Owen.....	\$665.45	\$20.67	\$644.78
Harry Bacharach.....	500.94	.....	500.94
George W. Bean.....	831.01	6.49	824.52
Total.....	1,997.40	27.16	1,970.24

An analysis of the foregoing accounts shows as follows:

That D. C. Owen expended \$450.36 for subsistence in 48 days, or an average of \$9.38 per day, and that his expenses of transportation were \$207.37, with telegrams and other incidentals amounting to \$7.72.

That Harry Bacharach expended \$288.40 for subsistence in 33 days, or an average of \$8.74 per day, and that his expenses of transportation were \$207.54, with fees and other incidentals amounting to \$5.

That George W. Bean expended \$532.06 for subsistence in 53 days, or an average of \$10.03 per day, and that his expenses for transportation were \$270.60, with telegrams, fees, and other incidentals amounting to \$28.35.

In directing payment the Postmaster General exercised a discretion vested in him by the law, and in settling the accounts the auditor recognized the principle that the discretion vested in an executive officer is not subject to review by an accounting officer or a court.

CHAS. A. KRAM, Auditor.

Mr. REDFIELD. Now, will you please give the additional amount for sundries?

Mr. KRAM. Owen, \$7.72; Bacharach, \$5; Bean, \$28.35.

The CHAIRMAN. Now, then, Mr. Kram, I presume you have the individual expense accounts?

Mr. KRAM. Yes, sir; together with the vouchers.

Mr. TOWNER. What was the total amount, Mr. Kram?

Mr. KRAM. The total paid was \$1,970.24.

Mr. TOWNER. And the total number of days for the three men?

Mr. KRAM. Fifty-three, forty-eight, thirty-three.

Mr. ALEXANDER. Wardle was also a member of the committee, was he not?

Mr. KRAM. He was a member of the committee, and as a post-office inspector was entitled to a per diem allowance in lieu of expenses.

Mr. ALEXANDER. And his expenses came out of a different fund?

Mr. KRAM. Out of the per diem appropriation. No matter what his expenses were, he was allowed a certain sum per day.

Mr. REDFIELD. How much was he allowed?

Mr. KRAM. \$4 a day. He was with this committee only a very short time.

Mr. REDFIELD. \$4 a day represents the regular allowance of the department for the traveling expenses of an inspector?

Mr. KRAM. Yes, sir.

Mr. ALEXANDER. Traveling expenses were not included in this expense?

Mr. KRAM. That was in lieu of an expense account.

Mr. McCoy. Those expenses are not included in any of these items you have read?

Mr. KRAM. No, sir.

Mr. McCoy. You say that \$4 a day is an allowance for what?

Mr. KRAM. It is the per diem allowance for expenses of a post-office inspector.

Mr. McCoy. And includes subsistence?

Mr. KRAM. Yes, sir.

Mr. REDFIELD. It does not include, then, either his living expenses or traveling expenses?

Mr. KRAM. It is an allowance to inspectors while traveling on official business.

Mr. McCoy. Now, let us get that straight. It would include what he spends for his living, would it not?

Mr. REDFIELD. No. He pays that with his salary.

Mr. KRAM. It is for subsistence.

The CHAIRMAN. May I inquire, Mr. Kram, whether or not the expense accounts that you have here with you are the only expense accounts that were submitted?

Mr. KRAM. These are the only expense accounts that were submitted by this committee in payment of any expense incurred by them.

The CHAIRMAN. You have knowledge of your own that that is the fact?

Mr. KRAM. I have. I made an examination of the files of the office.

The CHAIRMAN. They are at least the only ones on file?

Mr. KRAM. There could not have been any payments made except through the Auditor for the Post Office Department. The amounts stated here are the only amounts that have been paid.

The CHAIRMAN. Of course it is possible that the accounts might have been revised, and the members of the committee had an opportunity to make out revised expense accounts.

Mr. KRAM. We would have no knowledge of that. Now, if you please, Mr. Chairman, I wanted to call attention to the order here which authorizes or orders that the actual and necessary traveling expenses and other necessary expenses of the committee should be paid out of the appropriation. And when the expense accounts were submitted to the Auditor for the Post Office Department—I am making this statement in anticipation of Mr. Chance's and to refresh his memory on the matter, if I may be permitted—the accounts were referred to the then law clerk for that office by the Auditor. Attention was particularly called to a few items for which reimbursement was sought that were a little out of the usual, showing that the committee were not accustomed to traveling or performing business for the Post Office Department, but probably had formerly been traveling salesmen, as they had included in their accounts a good many items of expense that would not be allowed in the expense account of a post-office official. For instance, in Owen's account he entered a claim for \$2.70 for telephone, and another time 10 cents and another time 40 cents. The department requires that if the telephone is used a statement must be made that it was for official use. On two other dates he claimed 70 cents and \$1.22 for telegrams. The rules of the department require that copies of the telegrams shall accom-

pany the account. He furnished no vouchers for payments for parlor car and porter, amounting to 55 cents and 60 cents.

There was an extra charge for railroad fare between New York and Boston of \$2.65 unexplained. The blanks on which these accounts were rendered by the committee were furnished by the Post Office Department, and on the reverse side contain instructions that perhaps this committee did not have, among other things under this order No. 879 of the Postmaster General it is required that—

When recourse must be had to other than the ordinary modes of transportation, such as on limited or special trains, upon which there is an excess fare, the reason thereof should be set forth in a memorandum accompanying the account.

No reason for this extra charge was set forth in the account, and the auditor, in adjusting the item, made a disallowance because the requirements of the Post Office Department in that respect were not complied with. The claim for telephone service was disallowed because there was no statement that it was official. The claim for telegrams was disallowed because no copies of the telegrams were furnished and the claims for parlor car and portorage were disallowed because no vouchers were furnished.

Mr. AUSTIN. Take this first account, fare Philadelphia to Washington, \$6. Is that the fare between Philadelphia and Washington?

Mr. KRAM. It is, I believe.

Mr. REDFIELD. What, \$6? I only pay \$4.50 from New York.

Mr. KRAM. I am trusting to my memory on the fare. It may be the round-trip rate between Philadelphia and Washington.

Mr. AUSTIN. One-way fare from here to New York is \$6.50, I think. I think you have deducted probably here, fare, Philadelphia to Atlantic City, \$2.50, and one other place, fare, Atlantic City to Philadelphia, \$2. Is this man Bacharach still in the postal service?

Mr. KRAM. I have no knowledge of that.

Mr. AUSTIN. Is he still in the service, Mr. Chance?

Mr. CHANCE. Yes, sir; I think so.

Mr. KRAM. Here is a voucher for one ticket from Atlantic City to Washington, 11-day excursion, \$8.25.

Mr. REDFIELD. A round-trip ticket, undoubtedly.

Mr. MCCOY. He has here, Atlantic City to Philadelphia, \$2; fare, Philadelphia to Washington, \$6, making a total of \$8.

Mr. KRAM. The voucher will show that was a round-trip ticket, purchased at Atlantic City for Washington, D. C., for which \$8.25 was paid, and he has made the entry in two separate items, and the voucher covers both items.

Mr. MCCOY. What is the date of the voucher?

Mr. KRAM. January 18, 1909.

Mr. MCCOY. Voucher No. 1?

Mr. KRAM. Yes, sir; that is the voucher indicated here.

Mr. AUSTIN. Where he has street car fare, 25 cents, does that mean the fare of all the members of the committee?

Mr. KRAM. A separate account was submitted by each member of the committee, but there arose some complications in auditing the accounts, for the reason that a number of times one member of the committee paid the whole expense involved. There were a number of items that were mixed up in that way, which the vouchers will show.

Proceeding further with reference to the Owen account, there was \$8.92 that was suspended because of noncompliance with the rules of the Postmaster General. The items disallowed were for newspapers, 20 cents and \$2.40; shines, two items of 10 cents each; barber's bill, \$2; a mistake in parlor car charge of 70 cents paid by another; a drawing-room charge; and tips to porters in excess of 25 cents. The rule of the Postmaster General is that, on an average, not more than 25 cents a day shall be paid for tips to porters, and Owen exceeded the 25-cent limit by \$2.50 in his 48 days' itineracy. So there was \$11.25 disallowed by the auditor.

Mr. AUSTIN. The item of \$2 barber's account disallowed, was that for a single member of the commission?

Mr. KRAM. That was for Owen. He traveled from Milwaukee to Philadelphia; New York; Boston; Gardner, Mass.; Binghamton, N. Y.; Syracuse; and Atlantic City.

The CHAIRMAN. The subsistence account of this committee seems to have been about two and a half times the amount allowed the post-office inspectors and employees.

Mr. REDFIELD. I have got the thing worked out on a total per diem basis.

Mr. McCoy. I just want to find out about one item in here, January 25, voucher No. 5.

Mr. KRAM. What is the expenditure, if you please?

Mr. McCoy. \$1 for cab fare. I do not care so much for that item. What I want to know is at what hotel did he stop in New York.

Mr. KRAM. Hotel Astor.

Mr. McCoy. And what does the voucher show?

Mr. KRAM. It shows one room, \$4.

Mr. McCoy. There is no item here of any hotel charge.

Mr. KRAM. That is on January 27?

Mr. McCoy. Yes. That would probably be the 27th. He went to the Astor, which is up on Broadway and Forty-fifth Street, and as I presume he came up from Atlantic City to New York, he probably went over to Twenty-third Street. He could have ridden up for 5 cents.

Mr. ALEXANDER. What did it cost him?

Mr. McCoy. One dollar for cab fare. There is an item of Pullman to New York—I do not know where from—on the 25th of January, 75 cents. That would probably be from Atlantic City; and then he has a charge of baggage, 55 cents. So he did not need to carry his baggage on his cab; and you say the voucher of the 27th shows that he stayed at the Hotel Astor, which is at Broadway and Forty-fifth Street, about 20 blocks away from the Pennsylvania Ferry at Twenty-third Street.

Mr. ALEXANDER. Would he not have arrived at the Forty-second Street Station in New York?

Mr. McCoy. Not coming from Atlantic City.

Mr. ALEXANDER. You are assuming he came from Atlantic City.

Mr. McCoy. I do not know where he came from.

Mr. REDFIELD. There is one question I would like to ask at this time, if I may be permitted. Is there no daily account showing these expenses in concise order and showing from where to where?

Mr. KRAM. The accounts submitted, together with the vouchers, show the itinerary of the committee.

Mr. McCoy. In some instances it appears. For instance, on January 27 he went from New York to Binghamton; but the items under the 25th of January, in which appear the charge Pullman to New York, does not show from where nor to where.

Mr. Austin. He was the postmaster at Atlantic City, and this first item is the first expense. You can trace him from there.

Mr. McCoy. Fare Atlantic City to Philadelphia, fare Philadelphia to Washington. That is the 18th. Then, on the 20th of January, he went from Washington to Philadelphia, and then from Philadelphia, on the same date, to Atlantic City. Then, on the 21st, he has "Philadelphia to Atlantic City," and the fare is given as \$2.25, which, I believe, is about the round trip. Now then, on the 25th, voucher No. 5, where did he travel from?

Mr. Redfield. January 25 he went to Jersey City and paid 75 cents Pullman fare.

Mr. McCoy. From where did he go?

Mr. Redfield. It does not say where he took the car. I do not know. It is No. 5, but he does not show from where to where. On the 26th to Binghamton, and he has \$5 for fare, and his voucher for the ticket is dated the 26th and his voucher for the sleeping car is dated the 28th, both to Binghamton.

Mr. McCoy. This is somewhat desultory, but I just happened to see that item there.

Mr. Austin. Where did he get that \$1.85 breakfast?

The Chairman. You will find very few \$1.85 breakfasts. It was usually more than that.

Mr. McCoy. He got a \$3.05 lunch on the 1st of February. Voucher No. 10 is lunch, \$1.85, in Washington.

Mr. Redfield. Voucher No. 10, \$3.40 railroad fare, Philadelphia to Washington.

Mr. McCoy. See if voucher No. 10 is not also for something else.

The Chairman. It occurs to me it would be impossible for this committee to go through and analyze each one of these items. If there are some particular items that strike members as extravagant, it is well enough to call attention to them.

Mr. Redfield. Owen rendered an account for 48 days; is that correct?

Mr. Kram. That is correct.

Mr. Redfield. During which time his subsistence was reckoned at \$9.38 a day?

Mr. Kram. Correct.

Mr. Redfield. His transportation amounted to \$207.37?

Mr. Kram. Correct.

Mr. Redfield. His allowance for sundries amounted to \$7.72?

Mr. Kram. Correct.

Mr. Redfield. As regards Bacharach, he rendered an account for 33 days?

Mr. Kram. Correct.

Mr. Redfield. During which his subsistence amounted to \$8.74 per day?

Mr. Kram. Correct.

Mr. Redfield. His transportation allowance was \$207.54?

Mr. Kram. Correct.

Mr. REDFIELD. And his allowance for sundries was \$5?

Mr. KRAM. Correct.

Mr. REDFIELD. Bean rendered an account for 53 days?

Mr. KRAM. Correct.

Mr. REDFIELD. During which his subsistence was allowed at \$10.03 per day?

Mr. KRAM. Correct.

Mr. REDFIELD. And his transportation was \$270.60?

Mr. KRAM. Correct.

Mr. REDFIELD. And his allowance for sundries was \$28.35?

Mr. KRAM. Correct.

Mr. REDFIELD. Then, Mr. Chairman, I desire to read into the record this table, which is calculated by me from the statements just made by the witness: Owen: Days, 48; transportation, \$207.37; sundries, \$7.72; allowance for subsistence, \$9.38 per day; allowance per day for transportation and sundries, \$4.48; total allowance per day, \$13.86.

Bacharach: Days, 33; transportation, \$207.54; sundries, \$5; allowance for subsistence, \$8.74 per day; allowance per day for transportation and sundries, \$6.44; total allowance per day, \$15.18.

Bean: Days, 53; transportation, \$270.60; sundries, \$28.35; allowance for subsistence, \$10.03 per day; allowance per day for transportation and sundries, \$5.64; total allowance per day, \$15.67.

Mr. TOWNER. Mr. Kram, these gentlemen who served as members of this committee, all of them were in some form or other officers of the Government?

Mr. KRAM. Postmasters at the various cities from which they were appointed.

Mr. TOWNER. And received, of course, no additional compensation for their services as members of this commission?

Mr. KRAM. They did not.

The CHAIRMAN. Their salaries at home, I presume, were going on.

Mr. ALEXANDER. In this account of Mr. Bacharach, the postmaster at Atlantic City, who was a member of the committee, on January 18 I notice there is lunch, \$2.10, and dinner, \$2.50. I simply call attention to this to show the extravagance of these charges. On January 19, breakfast, \$1.85; lunch, \$2.10; and dinner, \$2.85; while on January 20 he has a charge of Hotel Willard, \$8, and on the same day, breakfast, \$1.75; lunch, \$2.20; dinner, \$2.70. Those items amount to \$14.85 for hotel and subsistence that day. At the same time he has in the account an item of parlor car, Washington to Philadelphia, 75 cents, and parlor car, Philadelphia to Atlantic City and fare from Philadelphia to Atlantic City, \$2.50. So that in the meantime he was traveling, or it would seem so on the face of the account. Again, on the 21st of January, there is an item, Philadelphia to Atlantic City, \$2.25; lunch, \$1.85; and dinner, \$2.60. As showing what seems to be an extravagant charge, January 25, lunch, \$2.30, and dinner, \$2.75, and on January 26, breakfast, \$2; lunch, \$2.35; and dinner, \$3. January 27, breakfast, \$1.85; lunch, \$2.35; dinner, \$3.15; then hotel bill in addition, voucher No. 6, \$8. And also, he seems to have been on the road, New York to Binghamton, \$5. On the 27th of January it shows he not only has those charges for breakfast, lunch, and dinner, but a hotel bill of \$8 besides, amounting to \$15.35.

Mr. TOWNER. That may be for some prior days.

Mr. ALEXANDER. No, sir; every day prior to that is filled in with good round bills. I have taken them up for each day. Then on the 28th——

Mr. KRAM. May I inquire about the item of \$8 for hotel bill? Was that on the 27th, according to the account?

Mr. ALEXANDER. Yes.

Mr. KRAM. That covered two days, January 25 and 26, according to the voucher furnished.

Mr. ALEXANDER. I have given the items for his subsistence for his breakfast, lunch, and dinner, but that may have been for a room besides.

Mr. KRAM. I thought you read an item for a room for one day.

Mr. ALEXANDER. I did; on the 27th.

Mr. KRAM. That was for two days.

Mr. ALEXANDER. That was in addition to the items for his breakfast, lunch, and dinner.

Mr. KRAM. Yes.

Mr. ALEXANDER. Now, on the 28th: Breakfast, \$1.60; lunch, \$2.10; dinner, \$2.60; hotel bill, \$3. On the 29th: Dinner, \$2.40; and on January 30, lunch, \$2.35. They are the items allowed and for which he furnished vouchers, I suppose.

Mr. KRAM. No vouchers were furnished for meals, except when they were included in the hotel bills.

Mr. ALEXANDER. On February 1 he has a charge of \$3.05 for lunch and \$2.90 for dinner. On February 3, \$2 for breakfast, \$2.35 for lunch, and \$3.10 for dinner, and a hotel bill, \$7.50.

Mr. AUSTIN. Where was he during that time, Judge?

Mr. ALEXANDER. I assume he was in Washington, as there is an item of February 1, Philadelphia to Washington, and then on February 3 there is an item of Washington to New York. So I assume he was in Washington.

The CHAIRMAN. Now, turn to February 1.

Mr. KRAM. In Owen's account there is no entry for February 1.

The CHAIRMAN. How is it in Mr. Bacharach's account?

Mr. ALEXANDER. February 1, in Bacharach's account, lunch, \$3.05; dinner, \$2.90.

The CHAIRMAN. Mr. Bean paid \$3.25 for dinner and \$1.95 for lunch.

Mr. McCoy. Where were they on that date?

The CHAIRMAN. At that time they were in Washington, at the Willard. On the 4th Bean charged for lunch \$2.10; dinner, \$2.35.

Mr. KRAM. Owen was also in Washington at that time.

The CHAIRMAN. Did he make a charge for that date?

Mr. KRAM. Yes.

The CHAIRMAN. Where was Mr. Bacharach?

Mr. ALEXANDER. He ought to have been in New York, because he has an item on the 3d, Washington to New York, and on the 4th he charged lunch, \$3.20; breakfast, \$2.10; lunch, \$2.65, and dinner, \$3.20. Now, what did your man charge?

Mr. KRAM. He was at the Willard, as the voucher shows, from February 1 to February 6, and the restaurant charges are included in the bill, so that we can not get any separate items for meals on those dates.

Mr. ALEXANDER. They are not included in these items?

Mr. KRAM. No, sir; I see they are not included in those items.

Mr. ALEXANDER. Take another day.

The CHAIRMAN. February 6 Mr. Bean paid \$1.75 for his breakfast, \$2.20 for his lunch, and \$2.80 for his dinner.

Mr. ALEXANDER. Mr. Bacharach charged for breakfast \$2, lunch \$2.40, dinner \$3, and hotel bill \$9.40.

The CHAIRMAN. I notice that Mr. Bean was a very cleanly man, and had a bath every day at 50 cents per.

TESTIMONY OF MR. M. O. CHANCE—Continued.

The CHAIRMAN. We would like to know who audited the accounts of this commission?

Mr. CHANCE. They were audited in the office of the Auditor for the Post Office Department, in the Pay Division. I am unable to tell the name of the person who audited them. They were approved finally, of course, by the auditor.

The CHAIRMAN. Either you or Mr. Kram some time ago made reference to the fact that they were referred to an attorney, did you not?

Mr. CHANCE. They went through the office of the law clerk. Mr. Kram was then the law clerk.

The CHAIRMAN. Do you know whether Mr. Kram audited these accounts at that particular time?

Mr. CHANCE. No; he did not. If any special point or a question of law would come up the law clerk would settle it—it would be referred to him. I talked, I know, with Mr. Kram several times with regard to these accounts.

Mr. McCoy. Did you say, Mr. Chance, that these accounts after they were filed by the commissioners were held for some time and in the possession of the Postmaster General before they were finally audited and allowed to pass?

Mr. CHANCE. As I remember, these accounts came over to me some time after they had been sent in by the claimants; they were brought to my attention, and I took them over personally to Mr. Hitchcock, the Postmaster General.

Mr. McCoy. And left them with him?

Mr. CHANCE. Before I passed them. It seemed to me that there were several items that were a little high. He asked me to give him a statement, a sort of analysis of the accounts, unofficially, which I did, and left the accounts with him. Then they remained in his office several months—I do not know just how long—but it must have been six or eight months.

Mr. KRAM. One year.

Mr. CHANCE. It was a long time. Then they were sent over with the approval of the Postmaster General waiving the \$5 limit, and when finally passed by the auditor there were the proper vouchers, and the proper certificate of the Postmaster General was there, and there was no discretion left to the auditor except to pass the account.

Mr. McCoy. What do you mean by waiving the \$5 limit?

Mr. CHANCE. The Postmaster General himself has that right. It is on the back of the account which Mr. Kram showed you, limiting the expenses to \$5. Frequently that limit is waived, not only for these accounts, but it has been done in a number of cases, and not only in the Post Office Department, but in other departments.

Mr. McCoy. Will you identify this blank as the one you refer to having on its back the regulation about the expenditures? [Handing witness blank.]

Mr. CHANCE (after examining blank). This is the one.

(The same is hereto attached marked "Exhibit C, May 24, 1911.")

Mr. CHANCE. Section 2 of this reads:

Lodgings and actual board at hotels shall be at a rate not greater than \$5 per day.

That is the regulation of the Postmaster General himself and the regulation under which we work.

Mr. McCoy. That paper has printed on it the general rules concerning expenditures?

Mr. CHANCE. As to allowances for travel.

The CHAIRMAN. You do not recall whether or not one of the members of this commission while serving on the commission was in some hospital having his eyes treated and charged expenses for the time he was in the hospital?

Mr. CHANCE. I never heard of it; no, sir.

The CHAIRMAN. You are of the opinion that the expense accounts as exhibited here to-day are the first and only expense accounts filed by the members of the commission, and that the expense accounts were not later revised in any way by the individual members?

Mr. CHANCE. I thought they had been revised in some way after first submitted, but I would trust Mr. Kram's judgment better than mine. I was under the impression that after we returned them to the Postmaster General that they were gone over and revised as to those items where they did not comply with the regulations.

Mr. McCoy. What is the date of the file mark?

Mr. CHANCE. June 25, 1909. It was received back in our Pay Division, Office of the Auditor for the Post Office Department, August 13, 1910.

Mr. McCoy. You are now referring to the account of whom?

Mr. CHANCE. Mr. George W. Bean.

The CHAIRMAN. These members concluded their service about March 11, 1909, if I remember correctly?

Mr. CHANCE. As I remember it; yes, sir.

The CHAIRMAN. But this expense account was apparently not filed for two months afterwards?

Mr. CHANCE. It did not reach the Auditor for the Post Office Department. I do not know what time it was filed in the Post Office Department.

The CHAIRMAN. I presume it was on the date that it was sworn to?

Mr. CHANCE. June 24, 1909, it was approved by the Postmaster General. The account was sworn to by Bean on April 17, 1909.

Mr. McCoy. Is there a file mark on the outside of the cover?

Mr. KRAM. These accounts were received in the office of the Auditor for the Post Office Department on June 25, 1909.

Mr. McCoy. I mean the first date when submitted to anybody?

Mr. REDFIELD. The account bears the sworn date of April 17, 1909.

Mr. McCoy. Was any written report filed by this commission?

Mr. CHANCE. Yes; I understand there was a report made to the Post Office Department, but I had no knowledge of that. I assume there was, but I do not know as a matter of fact.

Mr. McCoy. Did you have anything to do, in the performance of your duty, with respect to any report the commission made?

Mr. KRAM. Nothing whatever.

Mr. McCoy. You do not know whether there was any such report?

Mr. KRAM. No, sir.

Mr. ALEXANDER. Mr. Chance, I notice, in connection with the account of George W. Bean, this memorandum, dated August 27, 1910, signed by yourself as auditor:

Memorandum in case of traveling expenses of David C. Owen, postmaster, Milwaukee, Wis.; Harry Bacharach, postmaster, Atlantic City, N. J.; and George W. Bean, postmaster, Tampa, Fla.

After reciting that the Postmaster General's Order No. 1989, dated January 7, 1909, appointed these parties members of a committee to investigate the subject of time recorders as used for recording time of employees, etc., you state:

The first three members of the committee filed separate accounts for traveling expenses incurred in January, February, and March, 1909, as follows:

David C. Owen, \$665.45; Harry Bacharach, \$500.94; and George W. Bean, \$830.51; a total of \$1,996.90.

Upon their receipt, June 25, 1909, the accounts were brought to my personal attention. Some of the items of expenditure being so unusual and the amounts claimed appearing to me to be excessive, I took the matter up personally with Postmaster General Hitchcock. At his request the accounts were left in his custody for further consideration.

About the middle of this month, during my absence on annual leave, the foregoing accounts were returned to this office informally, with the request that the amounts claimed be allowed under order No. 1989 and the Postmaster General's waiver of rule 2 of the rules governing allowance of traveling expenses. The accounts will show that they have been subjected to further scrutiny in the Post Office Department, inasmuch as unofficial memoranda attached thereto suggest the suspension, disallowance, and allowance of certain sums.

I have again examined the accounts, but do not find any reason to change my opinion of one year ago.

That is, as I understand, that they were unusual and extravagant. Is that true?

Mr. CHANCE. Yes, sir.

Mr. ALEXANDER (reading):

The Postmaster General, however, has exercised the authority vested in him by the above-quoted law, and the only thing left for this office is to settle the accounts.

Mr. CHANCE. That is the law.

Mr. ALEXANDER. You approved them under protest?

Mr. CHANCE. No, not under protest. They were in regular form. There was nothing else to do but to approve them. The vouchers were all there and they were properly certified to by the Postmaster General.

Mr. ALEXANDER. And in directing payment the Postmaster General exercised a discretion vested in him by the law, and in settling the accounts the auditor recognized the principle that the discretion vested in an executive officer is not subject to review by an accounting officer or a court?

Mr. CHANCE. That is the decision of the comptroller.

Mr. ALEXANDER. For that reason you had no discretion but to approve these accounts, they having been passed on by the Postmaster General?

Mr. CHANCE. And proper vouchers having been furnished for the expenditure of the money.

Mr. ALEXANDER. You had no authority to reject any of these claims or reduce the amount of any of these expenditures, they having been O. K'd or passed by the Postmaster General in the exercise of his discretion?

Mr. CHANCE. Yes, sir; that is right.

Mr. ALEXANDER. At the same time you stated that in the first case, when the accounts came to you, you declined to pass them for the reason that they appeared to be unusual or excessive?

Mr. CHANCE. Do not misunderstand me; I did not decline. I called them to the personal attention of the Postmaster General, knowing that he had a great mass of this stuff coming over his desk and if properly initialed and approved he would pass them to me. I could not very well decline to settle the accounts.

Mr. McCoy. But the point, as I understand, Judge Alexander, which he wishes to bring out is that you acted in a ministerial capacity in approving of this account, and finally when it came to you, first having gone through the Postmaster General's hands; but before it got to that point it seemed to contain charges that were excessive, and you expressed that opinion, and that is why you handed it up to the Postmaster General?

Mr. CHANCE. Yes, sir; rather extravagant.

The present Postmaster General, of course, had nothing to do with this. The order was made before he came into office and before the work was completed; and he was just as much embarrassed as I was about it.

Mr. REDFIELD. You spoke of making an informal analysis of these accounts to the Postmaster General. Do you remember what you said at that time?

Mr. CHANCE. That is the memorandum.

Mr. REDFIELD. Did you tell the Postmaster General that in your opinion the accounts contained unusual items and were excessive?

Mr. CHANCE. The memorandum says that.

Mr. REDFIELD. In this informal analysis which you made did you tell the Postmaster General that in your judgment as auditor these accounts were unusual in their items and excessive?

Mr. CHANCE. In our talk we talked that over.

Mr. REDFIELD. Will you not tell the committee, as fully as you remember, what you did tell him?

Mr. CHANCE. It is right in the memorandum. That is just about the whole thing. My memory was fresher then than now.

Mr. REDFIELD. Did you also tell him that, after looking them over, you had not changed your mind?

Mr. CHANCE. No, sir. That memorandum was made after the accounts came back the second time.

Mr. REDFIELD. You gave him to understand clearly that these were items that you could not in your capacity as auditor approve?

Mr. CHANCE. No, sir; because if they were in form I would have to approve them. It would not make any difference if the expenses were ten times as high. If they were in proper form and proper vouchers were filed, there would be nothing for an auditor to do but to pass them.

Mr. REDFIELD. Your approval is purely as to form?

Mr. CHANCE. It practically amounts to that.

Mr. REDFIELD. Is it not a fact? You say that it is practically so; that your approval was merely as to form, and you have told the committee that if they were ten times as large and had the proper signatures you would have to approve them?

Mr. CHANCE. I do not think that an auditor has the powers that he ought to have.

Mr. REDFIELD. Was your judgment as auditor judgment as to facts or judgment as to form?

Mr. CHANCE. Both as to facts and form. If they furnish the voucher to show the facts, the auditor would pass it if the limit was waived.

Mr. REDFIELD. Regardless of whatever his judgment as an officer might be as to the propriety of that expenditure?

Mr. CHANCE. That is pretty broad. I do not like to answer that question.

Mr. MCCOY. Not as an officer, but as a man?

Mr. CHANCE. I think you had better put that question to the law officer.

Mr. ALEXANDER. Does not the auditor have any discretion in passing accounts?

Mr. CHANCE. In what way do you mean?

Mr. ALEXANDER. Take this committee, for instance, they went under a certain order and were to be allowed the necessary traveling expenses. Now, they present an expense account, and suppose that instead of an average of \$15 or \$16 a day they had presented an account showing an average of \$50,000 for subsistence, traveling expenses, hotel bills, cab hire, and so forth, you would have no discretion except to allow it?

Mr. CHANCE. In a case of that kind the auditor—I would if I was the auditor—I would go over and have a talk with the administrative officer and bring it to his attention that it was extravagant and that I thought something should be done before it came to me for approval.

Mr. ALEXANDER. Do you mean to say—I am trying to get at the authority of the auditor himself—suppose the Postmaster General, as he did in this case, should O. K. it and say, "Pay it," or any other expense, suppose you had gone to the Postmaster General and he said, "Allow it," would you have approved it? In other words, have you no duty to perform under the law to protect the Treasury against extravagance or extortion?

Mr. CHANCE. That is a law question. Suppose you put that question to the present Auditor of the Post Office Department.

Mr. ALEXANDER. You were the auditor at that time?

Mr. CHANCE. Yes, sir.

Mr. ALEXANDER. And that is the time these accounts were allowed. Did you have any discretion under the law as to the reasonableness of a charge in a bill presented to you to be audited?

Mr. CHANCE. I do not know what you mean by discretion.

Mr. ALEXANDER. Were you in the habit of O. K.ing and passing everything that came with a voucher attached to it?

Mr. CHANCE. No, sir; not if there was anything unusual.

Mr. ALEXANDER. If it was not unusual would you do so?

Mr. CHANCE. I would take it to the Postmaster General.

Mr. ALEXANDER. And if he said "All right," approve it?

Mr. CHANCE. A good deal would depend on that.

Mr. ALEXANDER. I want to know if under the existing law in the discharge of his duties the Auditor for the Post Office Department has no discretion in the allowance of accounts, any power to investigate and ascertain their reasonableness, and if he found they were unreasonable to reject them?

Mr. McCoy. After they had been passed upon by the administrative officer and approved.

Mr. ALEXANDER. In either event?

Mr. CHANCE. I do not think the auditor has power to investigate the acts of an administrative officer.

Mr. ALEXANDER. And I understand for that reason you passed these accounts finally?

Mr. CHANCE. I passed those accounts because they were in regular order and because they were in accordance with the law and the regulations of the department.

Mr. REDFIELD. Do you know of a decision by the comptroller to the effect that auditors have no power further than to pass as to form?

Mr. CHANCE. I do not know that I do.

Mr. REDFIELD. Tell the committee fully what you know about the decision of the comptroller.

Mr. CHANCE. I do not remember it now.

Mr. AUSTIN. Would not the responsibility be on the Postmaster General if, for instance, he appointed this commission and issued an order that their actual and necessary expenses should be paid when those accounts were turned in and they were in regular form and they were approved by the Postmaster General, as is the custom in your department, you followed the rule and paid them, all of them?

Mr. CHANCE. Yes, sir; that is right.

Mr. AUSTIN. That is done every day?

Mr. CHANCE. Yes, sir.

Mr. AUSTIN. In the administration of that office?

Mr. CHANCE. Yes, sir.

Mr. AUSTIN. And it is done even in cases where it is apparent to the auditor that the expense accounts are large?

Mr. CHANCE. Yes, sir; if there are proper vouchers; the regulations have been complied with; the limit waived; and the proper certificate of the Postmaster General.

Mr. REDFIELD. You mean vouchers in proper form?

Mr. CHANCE. Yes, sir.

Mr. REDFIELD. Without regard to the substance of the voucher?

Mr. CHANCE. We have no right to go back of the voucher and make any inquiry.

Mr. AUSTIN. This was an inherited case from Mr. Meyer, and the men appointed simply abused the confidence placed in them, and went to expensive hotels, and put in indefensible accounts?

Mr. CHANCE. I do not say that.

Mr. AUSTIN. I say it. I do not see how you could escape paying the accounts, under the circumstances.

In justification of the criticism I made of the railroad ticket, where the charge was \$9.15 from Washington to New York and the Pullman, here [exhibiting] is Mr. Owen's account for a single railroad ticket from New York to Washington, \$5.65, and he charges \$2 for a

Pullman ticket from New York to Washington, making a total of \$7.65 as against a charge of \$9.15 in the other account for similar transportation.

Mr. AUSTIN. Here, Mr. Owen O. K'd a bill in Washington for news stand, \$2.40, and a telephone bill, \$2.70. I have no patience with a sworn Government official who renders a laundry, newspaper, or barber account.

Mr. REDFIELD. Would the committee correctly understand you in supposing this state of facts to be true, that when these accounts were rendered you believing them, as you say, to be unusual in some items and excessive, did all you could do as a man both to bring that to the attention of your superior and to have them corrected, and that being accomplished, so far as you were able to do it, you felt obliged to accept the authority of your superior and approved them?

Mr. CHANCE. What superior? The Postmaster General was not my superior officer.

Mr. REDFIELD. The authority of the Postmaster General.

Mr. CHANCE. That is correct. He was not over me at all. As auditor I would not take the word of any superior officer as to auditing accounts.

Mr. AUSTIN. Here is a hotel bill from Cincinnati, \$8 for one day.

(The accounts of Owens, Bean, and Bacharach are marked "Exhibits 4, 5, and 6," May 24, 1911.)

Mr. MCCOY. It is understood that the vouchers accompanying each of the expense accounts are a part of the exhibit.

Mr. AUSTIN. I would like to ask Mr. Chance if he wishes to make any further statement?

Mr. CHANCE. No; I do not want to make any further statement.

TESTIMONY OF MR. CHARLES A. KRAM, AUDITOR FOR THE POST OFFICE DEPARTMENT—Continued.

Mr. KRAM. Mr. Chairman and gentleman of the committee, I want to make the statement—you are already aware of the fact—that this committee was appointed by the predecessor of the present Postmaster General, and when these accounts were resubmitted by the Auditor for the Post Office Department, unofficially and informally, to the Postmaster General, the suggestion was made that the amounts claimed were out of the ordinary. Mr. Hitchcock retained the accounts in his department for over a year. He returned them to the auditor for settlement after being advised that the claimants could make collection through the Court of Claims for expenditures incurred under that order.

Mr. ALEXANDER. You know that as a fact?

Mr. KRAM. Yes, sir.

Mr. MCCOY. Who gave that advice?

Mr. KRAM. The legal adviser.

Mr. MCCOY. The legal adviser to the Postmaster General?

Mr. KRAM. Yes, sir.

Mr. MCCOY. Who was that?

Mr. AUSTIN. I presume the Assistant Attorney General for the Post Office Department.

Mr. KRAM. I am not informed of the particular officer, but I know the fact.

Mr. McCoy. Would it come to you from the Department of Justice? From what department would the legal advice come?

Mr. KRAM. The Assistant Attorney General for the Post Office Department is an official of the Department of Justice. He is the legal adviser to the Postmaster General.

Mr. McCoy. You understand he advised that the Court of Claims would have no discretion in disallowing a claim that was admittedly extravagant?

Mr. KRAM. By the terms of the order these claimants were entitled to their actual and necessary expenses and no limit placed on the amount.

Mr. McCoy. Would not the word "necessary" qualify the amount?

Mr. KRAM. There was no doubt in the mind of the auditor that these expenses had been incurred and actually paid, or he would not have approved them. That is as far as his jurisdiction extends. That same evidence would hold the Government responsible in the Court of Claims.

Mr. McCoy. Not at all, it seems to me; because the Postmaster General, we will say, might have some discretion in the matter, and if it ever got up to the Court of Claims as a legal proposition then they would be bound to consider whether under the terms of the order, namely, such necessary expenses as these commissioners were put to, these expenses were actually necessary.

Mr. KRAM. As the Auditor for the Post Office Department, I am of the opinion that if the claims had not been allowed by the Auditor for the Post Office Department the claimants could have recovered in the Court of Claims.

Mr. REDFIELD. That court is established and has that power, and is it not the duty of the officers of the Post Office Department to let it exercise that power?

Mr. KRAM. Where the facts and law are clear, as in this case, no good purpose would be served by forcing the claimants into the Court of Claims.

Mr. McCoy. I ought to know, but I do not in view of what you say, what the jurisdiction of the Court of Claims would be in a case of this kind; that is, what would they be called upon to decide? Whether the claim was a legal claim, regardless of any action of any auditor, would they have to take into consideration that it had been audited and passed as well as all other things affecting its legality? What would be the question or questions which the Court of Claims, in your opinion, would decide in passing on a proposition like that?

Mr. KRAM. You are calling me out of our province. I am not familiar with the practice before the Court of Claims.

Mr. McCoy. I am asking you as a lawyer for the Post Office Department.

Mr. KRAM. I am not an official of the Post Office Department.

Mr. McCoy. You, as a lawyer connected with one of the departments, did give some legal advice about these matters?

Mr. KRAM. Yes, sir.

Mr. McCoy. Would you have advised that the Court of Claims would be bound to pass favorably on these claims if they had all been disallowed by the auditor?

Mr. KRAM. If the auditor had failed to take action, the Court of Claims would take cognizance of a bill filed there. If the auditor

took action and disallowed any item, there would be an appeal to the Comptroller of the Treasury, but such appeal would not prevent action in the Court of Claims. In items not disallowed by the auditor, but suspended, the Court of Claims would consider the case on its merits, whether the Government had incurred a liability that it was bound to meet and would act on the facts.

Mr. McCoy. Now, then, what would be the basis or the legal proposition or propositions on which the Court of Claims would act in determining, for instance, this: A hotel bill for \$25 a day for one person at the Willard in Washington? That confronts the Court of Claims, having been audited and passed by the Auditor for the Post Office Department or the Treasury Department, and counsel for the Government would go, I presume, over to the Court of Claims and resist any attempt made to get the Court of Claims to approve of that \$25. The Court of Claims, of course, would be bound to take judicial notice if they acted on the matter at all that that was an excessive charge?

Mr. ALEXANDER. Or would the Government be permitted to call testimony to show that it was an excessive charge?

Mr. McCoy. Either way; or to submit evidence to show that a reasonable charge at the Willard was \$7.50 instead of \$25. Suppose that fact appeared before them, that it was excessive, the item having been passed by the auditor, in your opinion, would the Court of Claims nevertheless be bound to allow the \$25?

Mr. KRAM. Yes; if the claimant could show that under the terms of the order of appointment he had incurred these actual, necessary traveling expenses. There is no reference to the reasonableness of the charge.

Mr. McCoy. In your opinion, would the Court of Claims be called upon to determine as a matter of law that an excessive claim was necessary because the money had been expended in the course of the performance of this duty, or, in your opinion, would they not say that an excessive expenditure was not necessary?

Mr. KRAM. In my opinion the Court of Claims would take into account the character of the service.

I have made the statement to give you the information I have with reference to the matters in the mind of the Postmaster General during the 13 months the accounts were in his custody.

Mr. ALEXANDER. These men were appointed just about the time that the Postmaster General went out?

Mr. KRAM. They were appointed in January, 1909, and he went out in March.

Mr. ALEXANDER. They completed their work, however, in March or April?

Mr. KRAM. March 11, 1909, was the last date.

Mr. ALEXANDER. When did Mr. Hitchcock become Postmaster General?

Mr. KRAM. March 4, 1909.

Mr. ALEXANDER. So a part of the service was performed and these accounts were rendered under his administration, and Mr. Meyer had nothing to do with this committee except to appoint it. Is not that a fact?

Mr. KRAM. He gave the authority and the services were rendered during his administration.

Mr. ALEXANDER. He made the appointments and made the order under which they acted?

Mr. KRAM. Yes, sir.

The CHAIRMAN. These expenses never came to the attention of Mr. Meyer, and it is not absolutely fair to criticize him or charge him with the responsibility.

Mr. KRAM. It is not my purpose to do so.

The CHAIRMAN. The account of George W. Bean has evidently been audited by some one. I notice this memorandum:

Suspend for statement as to official service \$5.15. Allow \$825.36.

It is signed and initialed "E. T. B." Do you know who E. T. B. is?

Mr. KRAM. Those are the initials of the chief clerk to the First Assistant Postmaster General.

The CHAIRMAN. That would seem to indicate that he had audited the account?

Mr. KRAM. It would indicate that he had given the account an administrative examination.

Mr. AUSTIN. Are those Mr. Bushnell's initials?

Mr. KRAM. Yes, sir.

Mr. REDFIELD. Will you tell the committee what you know about the comptroller's opinion limiting the powers of the auditors?

Mr. KRAM. I can not cite the particular decision of the comptroller, but he has held repeatedly that the auditor is not authorized to review a discretion given to an administrative officer; that he can not go into the question of excessive charges on the account after having been furnished with proper evidence showing the expenditure, the authority for the expenditure, etc. If a certificate of that kind is furnished him, he has no discretion. In other words, the auditor can not question the administrative authority of the head of a department.

Mr. REDFIELD. Then the financial officer has as such no broad power to disallow an expense which he may know individually to be extravagant?

Mr. KRAM. No, sir; not if the administrative officer certifies that the expenses were reasonable and just, as in this case.

Mr. MCCOY. I notice here, in a memorandum pertaining to certain expenses in the account of David C. Owen, "disallow, paid by Mr. Bacharach in voucher for \$7;" "disallow, included in \$4.10; see accounts Bean and Bacharach."

Mr. KRAM. That bears out the statement I made.

Mr. MCCOY. No; he has attempted to charge Owen with something which he did not expend.

Mr. KRAM. He evidently made a mistake and we corrected it. Those notations were made in the Post Office Department. That memorandum was attached to the accounts by the Auditor for the Post Office Department calling the attention of the Postmaster General to these notations made in the Post Office Department.

(Thereupon the committee adjourned to meet to-morrow, Thursday, May 25, 1911, at 10 o'clock a. m.)

EXHIBIT 4.

The United States to David C. Owen, Milwaukee, Wis., debtor, for actual and necessary expenses incurred during the months of January, February, and March, 1909, while traveling on business of the Post Office Department:

Date.	Items of expense.	No. of voucher.	Amount.
1909.			
Jan. 12	Cab and baggage.....		\$0.75
12	Railroad ticket, Milwaukee to Chicago, Chicago, Milwaukee & St. Paul Ry.	1	1.70
12	Parlor car and porter.....		.55
12	Cab to Annex Hotel, Chicago.....		.75
13	Auditorium Annex Hotel, Chicago.....	2	10.00
13	Cab to station.....		.75
13	Railroad fare, Chicago to Washington.....	3	17.50
13	Berth, Pullman car, Chicago to Washington.....	4	4.50
13	Dinner on dining car.....		2.00
14	Breakfast and lunch on dining car.....		2.50
14	Porter.....		.50
14	Cab and baggage.....		1.00
15	Lunch.....		1.25
16	do.....		1.50
17	Dinner.....		2.00
18	Lunch.....		1.25
19	do.....		1.50
20	Willard Hotel bill.....	5	40.24
20	Lunch.....		1.50
20	Cab and baggage.....		1.00
20	Railroad fare, Washington to Philadelphia.....	6	3.40
20	Parlor car, Washington to Philadelphia.....	7	.75
20	Porter.....		.25
20	Cab - Philadelphia.....		1.00
21	Lunch.....		1.50
21	Hotel bill, Bellevue-Stratford.....	8	6.05
21	Cab and baggage.....		1.00
21	Railroad fare and sleeper, Philadelphia to Boston.....	9	11.30
22	Breakfast.....		1.25
22	Porter, Philadelphia to Boston.....		.50
22	Cab to Hotel Tourraine, Boston.....		1.00
22	Railroad fare, Boston to Worcester.....	10	.90
22	Railroad fare, Worcester to Gardner, Mass.....	11	1.10
22	Lunch.....		1.25
22	Cab at Gardner, Mass.....		1.00
22	Parlor car, Gardner, Mass., to Boston, Mass.....	12	.70
22	Dinner on train.....		1.50
22	Porter, Gardner to Boston.....		.25
23	Lunch (Boston).....		1.50
24	do.....		1.50
25	Hotel Tourraine bill, Boston.....	13	21.76
25	Cab and baggage.....		1.75
25	Railroad fare, Boston to New York, New York, New Haven & Hartford Ry.	14	7.65
25	Lunch on train.....		1.50
25	Fees to porter, Boston to New York.....		.50
25	Baggage.....		.75
26	Lunch.....		2.00
26	Dinner.....		2.00
26	Telegram to Mr. E. T. Bushnell, Washington.....	51	.25
26	Telegram to J. J. Sullivan, Cleveland, Ohio.....	50	.25
26	Hawley Time Recording Co., Syracuse, N. Y.....	49	.25
26	Telegram to International Time Recording Co., Binghamton, N. Y.....	48	.25
26	Telegram to Milwaukee post office, Milwaukee, Wis.....	47	.50
28	Bill, Hotel Belmont, New York.....	15	17.46
28	Cab and baggage.....		2.00
28	Railroad fare, New York to Binghamton, Delaware, Lackawanna & Western Ry.....	16	5.00
28	Berth in drawing room.....	16½	3.00
28	Fees to porter, New York to Binghamton.....		.50
28	Cab and baggage.....		1.00
28	Lunch.....		1.25
28	Dinner.....		1.75
29	Arlington Hotel, Binghamton, bill.....	44	3.00
29	Cab and baggage.....		1.50
29	Railroad fare, Binghamton to Syracuse, N. Y., Delaware, Lackawanna & Western Ry.....	17	2.00
29	Lunch.....		1.50
29	Railroad fare, Syracuse to New York via New York Central Ry.....	18	6.06
29	Fees to porter, Syracuse to New York.....		.25
29	Cab and baggage transfer.....		1.50
29	Dinner.....		1.50
29	Parlor car, Syracuse to New York, drawing-room ticket held by Mr. Bean or Mr. Bacharach.....		2.00
30	Railroad fare, New York to Washington, Pennsylvania Ry.....	19	5.65
	Sleeping car, Jersey City to Washington.....	20	2.00

The United States to David C. Owen, Milwaukee, Wis., etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
1900.			
Jan. 30	Breakfast.....		\$1.50
30	Fees to porter, New York to Washington.....		.50
30	Cab and baggage, Hotel Willard.....		1.50
30	Dinner.....		1.50
31	Lunch and dinner.....		3.50
Feb. 6	Willard Hotel bill.....	21	79.02
6	Cab and baggage to station.....		1.50
6	Railroad fare to Atlantic City.....	22	4.90
6	Parlor car, Washington to Atlantic City.....	23	1.00
6	Dinner on train.....		1.75
6	Fees to porter, Washington to Atlantic City.....		.25
6	Carriage (Atlantic City).....		.75
7	Breakfast, lunch, and dinner.....		4.50
8	Breakfast.....		1.25
8	Cab and baggage, Atlantic City.....		1.50
8	Railroad fare, Atlantic City to New York, Pennsylvania Ry.....	25	3.25
8	Parlor car, Atlantic City to Jersey City.....	24	.75
8	Lunch.....		1.50
8	Dinner.....		2.00
8	Fees to porter, Atlantic City to New York.....		.25
8	Cab and baggage transfer to Grand Central Station.....		1.50
8	Railroad fare, New York Central Ry., New York to Rochester.....	26	7.68
8	Sleeping-car berth, New York to Buffalo.....	27	2.00
8	Telegram, Atlantic City to Milwaukee post office (official business).....	52	.25
9	Breakfast on train.....		1.25
9	Cab to post office.....		1.00
9	Lunch.....		1.25
9	Railroad fare, Rochester to Buffalo, New York Central Ry.....	28	1.38
9	Dinner (Buffalo).....		2.00
9	Cab, Buffalo Hotel to train.....		1.00
9	Railroad fare, Buffalo to Milwaukee, New York Central Ry.....	29	13.70
9	Sleeping-car berth, Buffalo to Chicago.....	30	3.00
9	Fees to porter, New York to Rochester.....		.50
10	Porter's tip, Buffalo to Chicago.....		.50
10	Breakfast on train.....		1.25
10	Lunch in Chicago.....		1.50
10	Cab to Union Station.....		.75
10	Parlor car, Chicago to Milwaukee.....		.35
10	Fees to porter, Chicago to Milwaukee.....		.25
10	Western Union Telegraph Co., telegrams to Postmaster Bacharach (official business).....	45	.70
10	Cab and baggage to station.....		1.00
10	Railroad fare, Milwaukee to Chicago, Chicago, Milwaukee & St. Paul Ry..	31	1.70
10	Parlor car.....		.35
10	Fees to porter, Milwaukee to Chicago.....		.25
10	Cab to Chicago post office.....		1.00
10	Lunch.....		1.50
10	Dinner.....		2.00
10	Railroad ticket, Chicago to Detroit, Mich., Central Ry.....	32	5.50
10	Sleeping-car berth, drawing-room, Chicago to Detroit, Postmaster Bacharach has ticket.....		3.00
22	Cab and baggage to Michigan Central Station.....		1.25
23	Breakfast and lunch, Detroit, Mich.....		3.25
23	Room for commission, Hotel Cadillac, Detroit, Mich.....	33	2.10
23	Cab and baggage to Lake Shore & Michigan Southern Station.....		1.25
23	Railroad ticket, Lake Shore & Michigan Southern Ry., Detroit to Cleveland.....	34	4.10
23	Parlor car.....	35	.75
23	Baggage.....		.75
23	Fees to porter, Chicago to Detroit.....		.50
23	Cab to Hotel Hollenden.....		1.00
23	Dinner, Cleveland.....		2.00
23	Fees to porter, Detroit to Cleveland.....		.25
24	Breakfast.....		1.25
24	Lunch.....		1.50
24	Dinner.....		2.00
24	Hotel Hollenden.....	36	3.60
24	Cab and baggage to station.....		1.50
24	Railroad ticket, Cleveland to Indianapolis, New York Central.....	37	8.10
25	Fees to porter, Cleveland to Indianapolis.....		.50
25	Breakfast on train.....		1.50
25	Indianapolis, lunch.....		1.50
25	Baggage transfer.....		.50
25	Railroad ticket, Indianapolis to Cincinnati, Big Four Ry.....	38	2.25
25	Drawing-room for commission (all we could get; I paid for same), tickets attached.....	39	3.75
25	Fees to porter, Indianapolis to Cincinnati.....		.25
25	Cab and baggage, Hotel Sinton, Cincinnati.....		1.50

The United States to David C. Owen, Milwaukee, Wis., etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount
1909.			
Feb. 25	Dinner.....		\$2.00
26	Breakfast, lunch, and dinner.....		4.75
27	Breakfast.....		1.25
27	Hotel Sinton bill.....	40	8.75
27	Cab and baggage to station.....		1.50
27	Railroad fare, Cincinnati to Washington, Chesapeake & Ohio Ry., and sleeping car.....	41	16.50
27	Lunch and dinner on train.....		2.75
28	On train, breakfast.....		1.25
28	Sleeping-car porter.....		.50
28	Cab and baggage to Willard Hotel.....		1.25
Mar. 2	Lunch.....		2.00
6	Dinner.....		2.00
8	Lunch.....		1.50
10	Hotel Willard bill, Feb. 28 to Mar. 10.....	42	130.48
10	Cab and baggage to station.....		1.25
10	Railroad fare to Milwaukee, sleeping car to Chicago, Pennsylvania Ry....	43	23.20
10	Lunch and dinner on train.....		3.00
11	Breakfast on train.....		1.25
11	Lunch, Chicago.....		1.50
11	Cab to station.....		1.00
11	Parlor car to Milwaukee.....		.60
11	Baggage.....		.50
11	Postal Telegraph Co. for telegrams official business sent to me, Washington, Feb. 4 and 27, and Cincinnati, Feb. 26, and by me, Feb. 22, to Post Office Inspector Jones, Chicago.....	46	1.22
	Total disbursements.....		665.45

I swear that the above rendered account is just and true in all respects; that the services specified therein were actually performed; that the expenses charged were actually and necessarily incurred and paid at the dates specified, and that the expenditures for "no voucher" items were made under circumstances which rendered the taking of vouchers therefor impracticable, and that no statement, account, or bill has been heretofore submitted to the Post Office Department for any of the items herein set forth.

DAVID C. OWEN.

Subscribed and sworn to before me this 8th day of April, 1909.

My commission expires November 24, 1912.

[SEAL.]

FRANK H. MAYHEW,
Notary Public.

I certify that the services required under order No. 1989, dated January 7, 1909, have been performed; that they were necessary and proper, and that the prices paid for travel, etc., were just and reasonable.

Per diem waived.

Approved.

C. P. GRANDFIELD,
First Assistant Postmaster General.

Allow \$665.45 and charge appropriation for "investigating labor-saving devices, 1909." Rule 2 as applies to charges for lodging and board is hereby waived.

Ordered.

F. H. HITCHCOCK, Postmaster General.

ALLOWANCE FOR TRAVELING EXPENSES.

JUNE 24, 1909.

The following order was issued from the office of the Postmaster General, November 26, 1907:

Order No. 879.

The attention of the officers and employees of this department is called to the following provisions of the act entitled "An act making appropriations for

the support of the Army for the fiscal year ending June 30, 1875, and for other purposes," approved June 16, 1874:

"Provided, That only actual traveling expenses shall be allowed to any person holding employment or appointment under the United States, and all allowances for mileage and transportation in excess of the amount actually paid are hereby declared illegal; and no credit shall be allowed to any of the disbursing officers of the United States for payments or allowances in violation of this provision."

In accordance with the foregoing provisions, persons traveling upon the official business of this department, other than those receiving a per diem allowance, will be allowed their "actual traveling expenses" usual and essential to the ordinary comfort of travelers, embraced in the following items of expenditures:

1. Actual fare on railroads, steamboats, and other conveyances, when transportation is not otherwise provided, by the shortest practicable route, the hire of special transportation when there are no regular means of conveyance, street car, omnibus, transfer coach, or cab fare to and from stations and hotels and in Washington, and reasonable fees to porters and expressmen, sleeping-car fare for one double berth for each person, or customary stateroom accommodation on steamboats and other vessels, one seat in parlor car; and lodgings and actual board in hotels, meals in dining cars, reasonable allowance for baths and reasonable expense for laundering where the travel continues one week or more. Hotel bills and receipts will be taken in all cases where it is practicable to obtain them, and must accompany accounts as vouchers. No charge will be allowed for hotel bills when the detention is unnecessary for the performance of the duties for which travel is required. When the voucher is for hotel or boarding bill, "lodging," "breakfast," "dinner," "supper" should be used in lieu of the indefinite word "board."

2. Lodgings and actual board at hotels shall be at a rate not greater than \$5 per day.

When recourse must be had to other than the ordinary modes of transportation, such as on limited or special trains, upon which there is an excess fare, or other conveyances, the reasons therefor should be set forth in a memorandum accompanying the account.

Whenever the department deems itself justified in making allowances beyond these rules, a waiver of the rules, or such part thereof as it is desired to waive for a particular case, should be placed on the voucher immediately above the place for the signature of the Postmaster General. This waiver can only be made in exceptional cases, and the expenditure must be necessary as well as actual.

Vouchers for parlor or sleeping car fare should be on the regular form of receipt, and should be signed by the conductor or agent.

Every expenditure for which no voucher can be obtained should be explicitly entered on the statement of account opposite the date when the expenditure was incurred.

The mere convenience of the officer or agent of the Government in the matter of taking receipts is not to be considered.

Accounts will be rendered upon the accompanying form, and a copy of the order under which the expenses were incurred must accompany each account, except in the case of Assistant Postmasters General, who are authorized to travel on business pertaining to their respective offices.

All bills for traveling expenses will be paid by warrant direct from the department.

Each person rendering an expense account must subscribe to the oath which accompanies this form, and the chief officer of the bureau or branch of service for which travel mentioned in the order of the department accompanying the account was performed must certify that such services were performed, that they were necessary and proper, and that the prices paid were just and reasonable.

G. V. L. MEYER, *Postmaster General.*

Memorandum pertaining to certain expenses in the account of David C. Owens, postmaster, Milwaukee, Wis., incurred while traveling on business of the Post Office Department.

JULY 22, 1900.

1909.

Feb.	6.	News stand	-----	¹ \$0. 20
Mar.	10.	Do	-----	¹ 2. 40

¹ Disallow.

1909.

Feb.	6.	Shine	-----	¹ \$0.10
	23.	Do	-----	¹ .10
	6.	Barber	-----	¹ 2.00

The above are unusual items in an official expense account.

Mar.	10.	Telephone	-----	² \$2.70
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This charge should be accompanied by a statement that the service was in the interests of the Government.

Feb.	10.	Telegrams	-----	³ \$0.70
Mar.	11.	Do	-----	³ 1.22

Copies of all telegrams should be furnished.

Jan.	12.	Parlor car and porter	-----	⁴ \$0.55
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Feb.	21-22.	Parlor car, Chicago to Milwaukee and return; no voucher.		
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This charge appears to be included in Mr. Bean's account.

See vouchers Nos. 40 and 43 (35 cents each way)-----¹ .70

22.	Drawing-room, Chicago to Detroit, charged in Mr. Bacharach's account, voucher No. 17	-----	⁵ 3.00
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23.	Voucher No. 35, parlor car. It appears from Mr. Bean's voucher No. 46 that \$4.10 covers both traveling and parlor-car ticket	-----	⁶ .75
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25.	Voucher No. 39 shows 5 checks for 3 passengers; charge for each passenger should be stated	-----	⁷ 3.75
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Mar.	11.	Parlor car to Milwaukee, no voucher	-----	⁸ .60
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Vouchers missing, and no explanation of other expenditures.

Jan.	25.	Extra fare on limited train (New York to Boston) included in charge of	-----	⁹ \$7.65
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Under the regulations, explanation required for extra fare on a limited train.

Fees to porters, 9 at 50 cents	-----	¹⁰ \$4.50
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(See V Comp. Dec., 225: "The fee which is usually paid to a porter on a railway train may be said to have become fixed by usage at not to exceed 25 cents.")

Expenses covering hotel bills, extra meals, and sleeping-car berths for 48 days, totaled \$450.36; average daily expenditures, \$9.38.

OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL.

Account of D. C. Owen:

Disallow items as indicated—total	-----	\$11.50
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Suspend for explanation why vouchers can not now be obtained	-----	5.75
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Allow	-----	648.20
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Items for extra railroad fare, \$2.65, January 25, New York to Boston, and extra drawing-room fare, February 25, should be allowed, as these are fixed and well-known charges. E. T. B.

[Memorandum in case of traveling expenses of David C. Owen, postmaster, Milwaukee, Wis.; Harry Bacharach, postmaster, Atlantic City, N. J.; and George W. Bean, postmaster, Tampa, Fla.]

TREASURY DEPARTMENT, OFFICE OF AUDITOR FOR POST OFFICE DEPARTMENT, Washington, August 27, 1910.

The Postmaster General's order No. 1989, dated January 7, 1909, appointed Messrs. Owen, Bacharach, and Bean, and John R. Harrison, post-office in-

¹ Disallow.

² Suspend for certificate that service was official.

³ Suspend for certificate that telegram was official and that voucher can not now be produced.

⁴ Suspend for statement that voucher can not now be obtained.

⁵ Disallow; paid by Mr. Bacharach in voucher for \$7.

⁶ Disallow. Included in \$4.10. See accounts Bean & Bacharach.

⁷ O. K. Voucher states that only drawing-room could be secured. The cost is same as 5 ordering seats.—E. T. B.

⁸ Suspend for statement as to voucher.

⁹ O. K. and \$2.65 extra charge on 3 principal through trains between New York and Boston.—E. T. B.

¹⁰ Disallow \$2.25.

spector in charge, Washington, D. C., members of a committee to investigate thoroughly the subject of time recorders as used for recording time of employees and to recommend the adoption by the Post Office Department of the recorder found to be the best adapted in every particular for use in keeping the time of clerks and city letter carriers in the postal service. The order directed that the actual and necessary traveling expenses of Messrs. Owen, Bacharach, and Bean, "and other necessary expenses of the committee in pursuance of its investigation," be charged to the appropriation for "investigating labor-saving devices, 1909."

"For expenses incident to the investigation and testing of mechanical and labor-saving devices, under the direction of the Postmaster General, for use in the postal service, ten thousand dollars." (Act approved May 7, 1908, 35 Stat., 407.)

The first three members of the committee filed separate accounts for traveling expenses incurred in January, February, and March, 1909, as follows:

David C. Owen.....	\$665. 45
Harry Bacharach	500. 94
George W. Bean.....	830. 51
	<hr/>
	1, 996. 90

Upon their receipt, June 25, 1909, the accounts were brought to my personal attention. Some of the items of expenditure being so unusual, and the amounts claimed appearing to me to be excessive, I took the matter up personally with Postmaster General Hitchcock. At his request the accounts were left in his custody for further consideration.

About the middle of this month, during my absence on annual leave, the foregoing accounts were returned to this office informally, with the request that the amounts claimed be allowed under order No. 1989 and the Postmaster General's waiver of rule 2 of the Rules Governing Allowance of Traveling Expenses. The accounts show that they have been subjected to further scrutiny in the Post Office Department, inasmuch as unofficial memoranda attached thereto suggests the suspension, disallowance, and allowance of certain sums.

I have again examined the accounts, but do not find any reason to change my opinion of one year ago.

The Postmaster General, however, has exercised the authority vested in him by the above quoted laws, and the only thing left for this office is to settle the accounts.

I have suspended and disallowed certain items under the rules of the Post Office Department, and have allowed the following sums:

David C. Owen.....	\$644. 78
Harry Bacharach	489. 69
George W. Bean.....	824. 52
	<hr/>
	1, 958. 99

M. O. CHANCE, Auditor.

TREASURY DEPARTMENT,
OFFICE OF AUDITOR FOR POST OFFICE DEPARTMENT,
Washington, August 29, 1910.

Mr. D. C. OWEN, Milwaukee, Wis.

SIR: Your claim for traveling expenses incurred during the months of January, February, and March, 1909, while traveling on business of the Post Office Department, was received on August 13, 1910, from that department, and has been audited as follows:

Amount of claim.....	\$665. 45
Amount of items suspended.....	\$8. 92
Amount of items disallowed.....	11. 75
	<hr/>
	20. 67
	<hr/>
Amount allowed	644. 78

ITEMS SUSPENDED.

1909.			
Mar. 10.	Telephone, not shown service was official	\$2. 70	
Feb. 23.	Do	. 10	
Jan. 20.	Do	. 40	
Feb. 10.	Telegram, copy not attached	. 70	
Mar. 11.	Do	1. 22	
Jan. 12.	Parlor car and porter, no voucher	. 55	
Mar. 11.	Parlor car, no voucher	. 60	
Jan. 25.	Extra fare railroad train, New York to Boston, for explanation required by Postmaster General's order (see A)	2. 05	
			8. 92

ITEMS DISALLOWED.

Feb. 6.	News stand, not covered by Postmaster General's order	\$0. 20	
Mar. 10.	Do	2. 40	
Feb. 6.	Shine, not covered by Postmaster General's order	. 10	
23.	Do	. 10	
6.	Barber, not covered by Postmaster General's order	2. 00	
21.	Parlor car, included in Mr. Bacharach's account	. 70	
22.	Drawing room, included in Mr. Bean's account	3. 00	
23.	Parlor car, amount included in your voucher No. 34	. 75	
	Fees to porters, 10 at 50 cents each; tip allowed. 25 cents each (see B)	2. 50	
			11. 75

A.

From Postmaster General's order: "When recourse must be had to other than the ordinary modes of transportation, such as on limited trains or special trains upon which there is an excess fare, or other conveyance, the reasons therefor should be set forth in a memorandum accompanying the account."

B.

See V Comp. Dec., 225: "The fee which is usually paid to a porter on a railway train may be said to have become fixed by usage at not to exceed 25 cents." Respectfully,

M. O. CHANCE, Auditor.

EXHIBIT 5.

The United States to George W. Bean, debtor, for actual and necessary expenses incurred during the months of January, February, and March, 1909, while traveling on business of the Post Office Department.

Date.	Items of expense.	No. of voucher.	Amount.
Jan. 12	Railroad ticket, Tampa to Washington	1	\$26. 45
12	Sleeper ticket, Tampa to Washington	2	7. 00
12	Cab hire and baggage to depot in Tampa		1. 50
13	Breakfast, \$1.75; lunch, \$2; dinner, \$2.50; en route		6. 25
13	Porter fees		. 25
14	Breakfast, \$1.85; lunch, \$2.25; dinner, \$2.75; en route		6. 85
14	Cab hire and baggage to Raleigh Hotel in Washington		. 95
14	Porter fee		. 25
15	Breakfast, \$1.75; lunch, \$2.35; dinner, \$2.80		6. 90
16	Breakfast, \$1.60; lunch, \$2.20; dinner, \$2.45		6. 25
17	Breakfast, \$1.55; lunch, \$1.75; dinner, \$2.35		5. 65
18	Breakfast, \$1.25; lunch, \$1.65; dinner, \$2.40		5. 30
19	Breakfast, \$1.35; lunch, \$1.80; dinner, \$2.65		5. 80
20	Bill, Raleigh Hotel	3	26. 35
20	Cab hire and baggage to station		. 95
20	Porter fee		. 25
20	Railroad ticket, Washington to Philadelphia	4	3. 40
20	Parlor-car ticket, Washington to Philadelphia	5	. 75
20	Cab hire and baggage to hotel in Philadelphia		. 85
20	Porter fee		. 25
20	Breakfast, \$1.65; lunch, \$2.30; dinner, \$2.45		6. 40
21	Bill, Bellevue-Stratford Hotel, Philadelphia	6	5. 00
21	Cab hire and baggage to Philadelphia station		. 85

The United States to George W. Bean, etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
Jan. 21	Railroad ticket, with sleeper, Philadelphia to Boston.....	7	\$11.00
21	Breakfast, \$1.75; lunch, \$2; dinner, \$3.....		6.75
22	Cab hire and baggage to hotel in Boston.....		1.25
22	Porter fee.....		.25
22	Railroad ticket, Boston to Gardner via Worcester.....	8	2.00
22	Railroad ticket, Gardner to Boston via Worcester.....	9	2.54
22	Cab hire, station in Boston for Gardner.....		.75
22	Cab hire, station in Boston to hotel.....		.75
22	Breakfast, \$1.80; lunch, \$2.10; dinner, \$2.85.....		6.75
22	Porter fee.....		.25
23	Breakfast, \$1.75; lunch, \$2; dinner, \$2.75.....		6.50
24	Breakfast, \$1.45; lunch, \$2.15; dinner, \$3.....		6.60
25	Bill, Hotel Touraine, Boston.....	10	12.00
25	Cab hire and baggage to station.....		1.25
25	Porter fee.....		.25
25	Railroad ticket, Boston to New York (limited train).....	11	7.65
25	Cab hire and baggage in New York.....		.40
25	Porter fee.....		.25
25	Breakfast, \$1.35; lunch, \$2.45; dinner, \$2.70.....		6.50
26	Breakfast, \$1.80; lunch, \$2.15; dinner, \$2.55.....		6.50
26	Cab hire.....		2.50
27	Bill, Hotel Belmont, New York.....	12	11.75
27	Cab hire and baggage to station in New York.....		.40
27	Railroad ticket, New York to Binghamton.....	13	5.00
27	Cab hire, baggage, and porter fee.....		2.50
27	Breakfast, \$1.50; lunch, \$2.15; dinner, \$3.10.....		6.75
27	Sleeping-car ticket, New York to Binghamton (no voucher).....		2.00
28	Cab hire, baggage, and porter fee.....		1.50
28	Breakfast, \$1.40; lunch, \$1.85; dinner, \$3.25.....		6.50
29	Bill, Hotel Arlington, Binghamton.....	14	3.00
29	Porter fee and cab hire.....		1.50
29	Railroad ticket, Binghamton to Syracuse.....	15	2.00
29	Railroad ticket, Syracuse to New York.....	16	6.06
29	Baggage, cab hire, and porter fee in New York.....		2.00
29	Parlor-car ticket, Syracuse to New York (no voucher).....		2.00
29	Breakfast, \$1.80; lunch, \$2.10; dinner, \$2.85.....		6.75
30	Railroad ticket, New York to Washington.....	17	5.65
30	Sleeper ticket, Jersey City to Washington.....	18	2.00
30	Cab hire, baggage transferred, and porter fee.....		2.50
30	Breakfast, \$1.25; lunch, \$1.90; dinner, \$2.70.....		5.85
31	Cab hire, baggage transferred, and porter fee, Washington.....		1.30
31	Breakfast, \$1.55; lunch, \$2.15; dinner, \$2.90.....		6.60
Feb. 1	Breakfast, \$1.35; lunch, \$1.95; dinner, \$3.25.....		6.55
1	Street-car tickets.....		.25
2	Breakfast, \$1.45; lunch, \$2; dinner, \$2.80.....		6.25
3	Railroad ticket Washington to New York with sleeper, one-third drawing-room.....	19	9.15
3	Cab hire, baggage transferred, and porter fee, Washington.....		1.05
3	Bill, Hotel Willard, Washington (Jan. 31-Feb. 2).....	20	26.01
3	Lunch, \$2.75.....		2.75
4	Cab hire and baggage transferred, New York.....		1.50
4	Breakfast, \$1.80; lunch, \$2.10; dinner, \$2.35.....		6.25
5	Breakfast, \$1.85; lunch, \$2.05; dinner, \$2.85.....		6.75
5	Cab hire and porter fee.....		1.50
6	Breakfast, \$1.75; lunch, \$2.20; dinner, \$2.80.....		6.75
6	Bill, Hotel Astor.....	21	8.96
7	Breakfast, \$1.90; lunch, \$2; dinner, \$2.85.....		6.75
8	Cab hire and baggage transferred, New York for Rochester.....		2.50
8	Railroad ticket, New York for Rochester.....	22	7.68
8	Sleeper ticket, New York for Rochester.....	23	2.00
8	Breakfast, \$1.35; lunch, \$1.95; dinner, \$3.25.....		6.55
9	Railroad ticket, Rochester to Buffalo.....	24	1.38
9	Cab hire, Rochester.....		1.50
9	Cab hire in Buffalo.....		1.00
9	Breakfast, \$1.45; lunch, \$2.15; dinner, \$2.95.....		6.55
9	Railroad ticket and sleeper, Buffalo to Washington.....	25	14.15
9	Porter fees (Rochester and Buffalo).....		.50
10	Railroad ticket, Washington to Atlanta.....	26	16.75
10	Porter fee.....		.25
10	Sleeper ticket from Washington to Atlanta.....	27	4.00
10	Cab hire and baggage transferred.....		1.60
10	Breakfast, \$1.35; lunch, \$2.10; dinner, \$2.80.....		6.25
11	Railroad ticket, Atlanta to Jacksonville.....	28	8.65
11	Sleeper ticket, Atlanta to Jacksonville.....	29	2.50
11	Porter fees, 2 days.....		.50
11	Breakfast, \$1.45; lunch, \$2.15; dinner, \$2.65.....		6.25
12	Railroad ticket, Jacksonville to Tampa.....	30	5.80
12	Pullman ticket, Jacksonville to Tampa.....	31	1.25

The United States to George W. Bean, etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
Feb. 12	Porter fee.....		\$0.25
12	Cab hire and baggage transferred.....		1.75
12	Breakfast, \$1.40; lunch, \$2.20; dinner, \$2.55.....		6.15
17	Cab hire and baggage, Tampa.....		2.00
17	Railroad ticket, Tampa to Gainesville.....	32	4.10
17	Sleeper ticket, Tampa to Waldo.....	33	1.80
18	Railroad ticket, Gainesville to Jacksonville.....	34	1.95
18	Cab hire and baggage transferred, Gainesville.....		1.50
18	Cab hire and baggage transferred, Jacksonville.....		1.50
18	Sleeper ticket, Gainesville to Jacksonville.....	35	.45
18	Porter fee.....		.25
18	Breakfast, \$1.35; lunch, \$2.10; dinner, \$2.80.....		6.25
18	Railroad ticket, Jacksonville to Chicago.....	36	26.15
18	Sleeper ticket, Jacksonville to Chicago.....	37	6.50
19	Breakfast, \$1.50; lunch, \$1.85; dinner, \$2.75.....		6.10
19	Porter fee.....		.25
20	Cab hire and baggage transferred.....		2.00
20	Porter fee.....		.25
20	Breakfast, \$1.25; lunch, \$1.95; dinner, \$2.55.....		5.75
21	Bill, Hotel Grand Pacific, Chicago.....	38	5.15
21	Cab hire, baggage transferred, Chicago and Milwaukee.....		2.50
21	Railroad ticket, Chicago to Milwaukee.....	39	1.74
21	Parlor car, ticket, Chicago to Milwaukee.....	40	1.05
21	Porter fee.....		.25
21	Breakfast, \$1.35; lunch, \$1.85; dinner, \$2.30.....		5.50
22	Bill, Hotel Pfister, Milwaukee.....	41	4.50
22	Cab hire, baggage transferred, porter fee, Milwaukee and Chicago.....		2.75
22	Railroad ticket, Milwaukee to Chicago.....	42	1.70
22	Parlor car ticket (3), Milwaukee to Chicago.....	43	1.05
22	Breakfast, \$1.35; lunch, \$2.10; dinner, \$2.85.....		6.30
22	Bill, Grand Pacific Hotel, Chicago.....	44	1.55
22	Cab hire, baggage transferred, porter fee, Chicago.....		1.75
22	Railroad ticket, Chicago to Detroit.....	45	5.00
23	Cab hire, baggage transferred, porter fee, Detroit.....		2.25
23	Breakfast, \$1.35; lunch, \$1.85; dinner, \$2.55.....		5.75
23	Railroad ticket and parlor car, Detroit to Cleveland.....	46	4.10
23	Cab hire, baggage transferred to and from hotel in Cleveland.....		3.00
23	Bill, The Hollenden, Cleveland.....	47	3.95
24	Cab hire and baggage transferred.....		1.75
24	Railroad ticket, Cleveland to Indianapolis.....	48	8.10
24	Porter fee.....		.25
24	Breakfast, \$1.35; lunch, \$2.10; dinner, \$2.80.....		6.25
25	Cab hire and baggage transferred Indianapolis.....		2.00
25	Railroad ticket, Indianapolis to Cincinnati.....	49	2.25
25	Breakfast, \$1.40; lunch, \$1.80; dinner, \$2.70.....		5.90
26	Cab hire and baggage in Cincinnati.....		2.00
26	Porter fee.....		.25
27	Bill, Hotel Sinton.....	50	16.56
27	Cab hire and baggage transferred.....		2.00
27	Railroad ticket, Cincinnati to Washington.....	51	16.50
27	Breakfast, \$1.85; lunch, \$2.05; dinner, \$2.75.....		6.65
28	Cab hire, baggage transferred, and porter fee.....		1.40
28	Breakfast, \$1.40; lunch, \$2.05; dinner, \$2.85.....		6.30
Mar. 1	Breakfast, \$1.95; lunch, \$2.20; dinner, \$2.65.....		6.80
1	Bath.....		.50
2	Breakfast, \$1.30; lunch, \$2.10; dinner, \$2.85.....		6.25
2	Bath.....		.50
3	Breakfast, \$1.30; lunch, \$1.80; dinner, \$2.70.....		5.80
3	Bath.....		.50
4	Breakfast, \$1.50; lunch, \$2.20; dinner, \$3.05.....		6.75
4	Bath.....		.50
5	Breakfast, \$1.45; lunch, \$1.85; dinner, \$2.85.....		6.15
5	Bath.....		.50
6	Breakfast, \$1.35; lunch, \$2.10; dinner, \$2.80.....		6.25
6	Bath.....		.50
7	Breakfast, \$1.85; lunch, \$2.15; dinner, \$2.75.....		6.75
7	Bath.....		.50
8	Breakfast, \$1.55; lunch, \$1.95; dinner, \$2.40.....		5.90
8	Bath.....		.50
8	Bill, Hotel Shoreham, Washington.....	52	46.43
8	Cab hire and baggage transferred, Washington.....		1.15
8	Railroad ticket and Pullman, Washington to Tampa.....	53	27.05
9	Porter fee, Washington to Jacksonville, 2 days.....		.50
9	Breakfast, \$1.60; lunch, \$2; dinner, \$3.15.....		6.75
9	Transfer of baggage in Jacksonville.....		.50
9	Transfer of baggage and cab hire, Tampa.....		1.75
9	Porter fee.....		.25
	Total disbursements.....		830.51

I swear that the above rendered account is just and true in all respects; that the services specified therein were actually performed; that the expenses charged were actually and necessarily incurred and paid at the dates specified; and that the expenditures for "no voucher" items were made under circumstances which rendered the taking of vouchers therefor impracticable, and that no statement, account, or bill has been heretofore submitted to the Post Office Department for any of the items herein set forth.

G. W. BEAN:

Subscribed and sworn to before me this 17th day of April, 1909.

[SEAL.]

W. E. PADGETT,
Notary Public.

My commission expires April 22, 1912.

I certify that the services required under order dated _____, 19___, have been performed; that they were necessary and proper, and that the prices paid for travel, etc., were just and reasonable.

Approved.

C. P. GRANDFIELD,
First Assistant Postmaster General.

Allow \$830.51 and charge appropriation for "Investigating labor-saving devices, 1909." Rule 2 as applies to lodging and board is hereby waived.

F. H. HITCHCOCK, Postmaster General.

JUNE 24, 1909.

[Memorandum pertaining to certain expenses in the account of George W. Bean, postmaster, Tampa, Fla., incurred while traveling on business of the Post Office Department.]

1909.

JULY 22, 1909.

Jan.	20.	Telephone	-----	¹ \$1.10
	27.	Do	-----	¹ .85
Feb.	3.	Do	-----	¹ 1.70
	21.	Do	-----	¹ .50

These charges should be accompanied by a statement that the service was in the interests of the Government.

Jan.	27.	Telegrams	-----	² \$1.00
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Copies of all telegrams should be furnished.

Feb.	21.	Parlor-car seat	-----	² \$1.05
	22.	Do	-----	² 1.05

Explanation required. (See same charge in account of D. C. Owen.)

Explanation required from Messrs. Bacharach and Bean as to railroad fare, \$5.65, and Pullman charge, \$3.50, respectively, Washington to New York. It appears this trip was made by a party of three. The voucher and account submitted by the third member shows that the Pullman rate was \$7. and that he paid \$2 thereof.⁴

Expenses covering hotel bills, extra meals, and sleeping-car berths for 53 days:

Total	-----	\$532.06
Daily average expenditures	-----	10.03

OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL.

Account of George W. Bean:

Suspend for statement as to official service	-----	\$5.15
Allow	-----	825.36

E. T. B.

¹ Suspend for statement that service was official.

² Suspend.

³ O. K. in this. O. K. voucher shows expense for three. Amount charged by Owen disallowed. No charge by Bacharach.

⁴ This refers to trip from Washington to New York, February 3. Mr. Owen was ill and remained in Washington. Charge is correct. The item of \$2 referred to was from New York to Washington, January 28.—E. T. B.

TREASURY DEPARTMENT,
OFFICE OF AUDITOR FOR POST OFFICE DEPARTMENT,
Washington, August 29, 1910.

Mr. GEORGE W. BEAN, *Tampa, Fla.*

SIR: Your claim for traveling expenses incurred during the months of January, February, and March, 1909, while traveling on business of the Post Office Department, was received on August 13, 1910, from that department, and has been audited as follows:

Amount of claim.....	\$830. 51
Additional credit, railroad fare, Chicago to Detroit, claimed \$5, voucher \$5.50.....	. 50
Total.....	831. 01
Amount of items suspended.....	\$6. 45
Amount of item disallowed.....	. 04
	6. 49
Amount allowed.....	824. 52

ITEMS SUSPENDED.

1909.	
Jan. 20.	Telephone. not shown service was official..... \$1. 10
28.	Do..... . 85
Feb. 3.	Do..... 1. 70
21.	Do..... . 50
22.	Do..... . 05
Mar. 8.	Do..... . 85
Jan. 28.	Telegram, copy not attached..... 1. 00
Feb. 23.	Do..... . 40
	6. 45

ITEMS DISALLOWED.

Feb. 21.	Railroad fare, Chicago to Milwaukee, amount claimed, \$1.74; amount of correct fare, \$1.70.....	\$0. 04
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Respectfully,

M. O. CHANCE, Auditor.

EXHIBIT 6.

The United States to Harry Bacharach, debtor, for actual and necessary expenses incurred during the month of January, 1909, while traveling on business of the Post Office Department.

Date.	Items of expense.	No. of voucher.	Amount.
Jan. 18	Fare, Atlantic City to Philadelphia.....	1	\$2. 00
18	Baggage.....		. 65
18	Parlor car.....	1	. 25
18	Cab.....		. 90
18	Fare, Philadelphia to Washington.....	1	6. 00
18	Parlor car.....	1	. 75
18	Baggage.....		. 50
18	Porter.....		. 25
18	Taxicab.....		. 95
18	Lunch.....		2. 10
18	Dinner.....		2. 50
19	Breakfast.....		1. 85
19	Lunch.....		2. 10
19	Dinner.....		2. 85
19	Street cars.....		. 25
20	Taxicab.....		. 95
20	Hotel Willard.....	2	8. 00
20	Baggage.....		. 65
20	Washington to Philadelphia, parlor car.....	2	. 75
20	Philadelphia to Atlantic City, parlor car.....	2	. 25
20	Porter.....		. 25
20	Breakfast.....		1. 75
20	Lunch.....		2. 20

The United States to Harry Bacharach, etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
Jan. 20	Dinner.....		\$2.70
20	Fare, Philadelphia to Atlantic City.....	2	2.50
21	Street cars.....		.25
21	Philadelphia to Atlantic City.....	3	2.25
21	Baggage.....		.65
21	Lunch.....		1.85
21	Porter.....		.25
21	Dinner.....		2.60
22	Atlantic City to New York.....	4	5.00
25	Pullman to New York.....	5	.75
25	Baggage.....		.55
25	Cab fare.....		1.00
25	Porter.....		.25
25	Lunch.....		2.35
25	Dinner.....		2.75
26	Breakfast.....		2.00
26	Lunch.....		2.35
26	Dinner.....		3.00
26	Street-car fares.....		.25
27	Breakfast.....		1.85
27	Lunch.....		2.35
27	Dinner.....		3.15
27	Cab fares.....		.90
27	Hotel bill.....	6	8.00
27	New York to Binghamton.....	6	5.00
27	Porter.....		.25
27	Sleeper (Messrs. Owen and Bean voucher).....	6	2.00
27	Baggage.....		.65
28	Breakfast.....		1.60
28	Lunch.....		2.10
28	Dinner.....		2.60
28	Street-car fares.....		.25
28	Hotel bill.....	7	3.00
29	Breakfast.....		1.55
29	Binghamton to Syracuse.....	8	2.00
29	Cab fare and baggage.....		1.25
29	Lunch.....		2.00
29	Syracuse to New York.....	8	6.06
29	Dinner.....		2.40
29	Pullman (Messrs. Owen and Bean).....	8	2.00
29	Porter.....		.25
29	Sleeper, New York to Philadelphia.....	8	1.50
30	Breakfast.....		1.50
30	Lunch.....		2.35
30	Pullman to Atlantic City.....	9	.25
30	Porter.....		.25
Feb. 1	Philadelphia to Washington.....	10	3.40
1	Baggage.....		.65
1	Porter.....		.25
1	Taxicab.....		.95
1	Lunch.....		3.05
1	Dinner.....		2.90
1	Pullman.....	10	.75
2	Breakfast.....		2.00
2	Lunch.....		2.20
2	Dinner.....		2.90
3	Breakfast.....		2.00
3	Lunch.....		2.35
3	Dinner.....		3.10
3	Baggage.....		.65
3	Hotel bill.....	11	7.50
3	Taxicab.....		.90
3	Washington to New York and Pullman.....	11	9.15
3	Porter.....		.25
4	Taxicab.....		.90
4	Breakfast.....		2.10
4	Lunch.....		2.65
4	Dinner.....		3.20
4	Baggage.....		.65
5	Breakfast.....		1.95
5	Lunch.....		2.30
5	Dinner.....		3.00
5	Street cars.....		.25
6	Breakfast.....		2.00
6	Lunch.....		2.40
6	Hotel bill.....	11A	9.40
6	Baggage.....		.55
6	Dinner.....		3.00

The United States to Harry Bacharach, etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
Feb. 6	Taxicab.....		\$1.40
6	New York to Atlantic City.....	12	3.25
6	Pullman.....	12	.75
6	Porter.....		.25
8	Atlantic City to New York.....	13	3.25
8	Pullman.....	13	.75
8	Porter.....		.25
8	Baggage.....		.45
8	Taxicab.....		.95
8	Dinner.....		2.10
8	New York to Rochester.....	13	7.68
8	Sleeper.....	13	2.00
8	Porter.....		.25
9	Breakfast.....		2.15
9	Lunch.....		2.35
9	Dinner.....		2.80
9	Rochester to Buffalo.....	14	1.38
9	Buffalo to Washington, sleeper and Pullman.....	14	14.15
9	Cab and baggage.....		1.35
9	Street cars.....		.25
9	Porter.....		.25
10	Breakfast.....		2.00
10	Lunch.....		2.35
10	Dinner.....		3.15
10	Cab.....		.40
10	Washington to Atlantic City.....	15	4.90
10	Pullman.....	15	.75
10	Baggage.....		.65
10	Porter.....		.25
10	Pullman, Philadelphia to Atlantic City.....	15	.25
21	Atlantic City to Chicago.....	16	33.00
21	Baggage.....		.65
21	Porter.....		.25
21	Cab, Philadelphia.....		.90
21	Dinner.....		2.40
22	Breakfast.....		1.90
22	Porter.....		.50
22	Cab, Chicago, to hotel.....		.95
22	Baggage to hotel.....		.65
22	Lunch.....		2.40
22	Dinner.....		2.85
22	Cab and baggage to depot.....		1.35
22	Chicago to Detroit.....	17	5.50
22	Drawing-room (Messrs. Owen and Bean).....	17	7.00
22	Porter.....		.25
23	Breakfast.....		1.90
23	Lunch.....		2.45
23	Dinner.....		2.85
23	Cab and baggage.....		1.40
23	Detroit to Cleveland.....	18	4.10
23	Porter.....		.25
24	Breakfast.....		1.75
24	Lunch.....		2.20
24	Dinner.....		2.95
24	Hotel.....	19	3.50
24	Cab and baggage.....		1.35
24	Cleveland to Indianapolis.....	19	8.10
24	Porter.....		.25
25	Breakfast.....		1.75
25	Porter.....		.25
25	Lunch.....		2.25
25	Dinner.....		2.60
25	Indianapolis to Cincinnati.....	20	2.25
25	Cab and baggage.....		1.40
26	Breakfast.....		2.10
26	Lunch.....		2.35
26	Hotel bill.....	21	7.65
26	Cab and baggage.....		1.35
26	Cincinnati to Philadelphia.....	21	19.30
26	Porter.....		.25
27	Breakfast.....		1.60
27	Lunch.....		2.35
27	Baggage.....		.65
27	Cab.....		.90
27	Philadelphia to Atlantic City.....	22	1.40
27	Porter.....		.25
28	Atlantic City to Washington.....	23	8.25
28	Baggage.....		.90

The United States to Harry Bacharach, etc.—Continued.

Date.	Items of expense.	No. of voucher.	Amount.
Feb. 28	Cab.....		\$1. 25
28	Porter.....		. 50
28	Lunch.....		1. 70
28	Dinner.....		2. 30
28	Pullman, Philadelphia to Washington.....	23	. 75
28	Cab.....		. 85
Mar. 1	Lunch.....		1. 85
1	Dinner.....		2. 50
1	Street-car fares.....		. 25
2	Lunch.....		1. 80
2	Street-car fares.....		. 25
2	Dinner.....		2. 40
3	Lunch.....		1. 50
3	Dinner.....		2. 70
4	Lunch.....		2. 20
5	Cab.....		1. 00
5	Hotel bill.....	24	46. 17
5	Pullman, Washington to Philadelphia.....	24	. 75
5	Lunch.....		2. 65
5	Dinner.....		2. 60
5	Pullman, Philadelphia to Atlantic City.....	24	. 25
5	Porter.....		. 25
	Total disbursements.....		500. 94

I swear that the above-rendered account is just and true in all respects; that the services specified therein were actually performed; that the expenses charged were actually and necessarily incurred and paid at the dates specified, and that the expenditures for "no-voucher" items were made under circumstances which rendered the taking of vouchers therefor impracticable; and that no statement, account, or bill has been heretofore submitted to the Post Office Department for any of the items herein set forth.

HARRY BACHARACH,
Postmaster, Atlantic City, N. J.

Subscribed and sworn to before me this 2d day of April, 1909.
My commission expires August 28, 1913.
[SEAL.]

E. STEELMAN ROYAL,
Notary Public for New Jersey.

I certify that the services required under order dated January 7, 1909, have been performed; that they were necessary and proper; and that the prices paid for travel, etc., were just and reasonable.
Approved.

C. P. GRANDFIELD,
First Assistant Postmaster General.

Allow \$500.94 and charge appropriation for "Investigating labor-saving devices, 1909." Rule 2 as applies to charges for lodging and board is hereby waived.
Ordered.

F. H. HITCHCOCK, Postmaster General.

JUNE 24, 1909.

[Memorandum pertaining to certain expenses in the account of Henry Bacharach, postmaster, Atlantic City, N. J., incurred while traveling on business of the Post Office Department.]

JULY 22, 1909.

1909.
Feb. 6. Pullman, New York to Atlantic City.....¹ \$0. 75
Feb. 10. Pullman, Washington to Atlantic City.....¹ . 75

No vouchers furnished.

Mar. 5. Telephone² \$0. 75
Mar. 8. Do² . 85

² Suspend for statement as to official service.
¹ Suspend for statement as to voucher. Charge correct.

These charges should be accompanied by a statement that the service was in the interests of the Government.

Feb. 21. Extra fare on limited train, Atlantic City to Chicago-----, \$9.00

Under the regulations explanation required for extra fare on a limited train.

Feb. 23. Telegram-----, \$0.40

Copies of all telegrams should be furnished.

Explanation is requested from Messrs. Bacharach and Bean as to railroad fare, \$5.65, and Pullman charge, \$3.50, respectively, Washington to New York. It appears this trip was made by a party of three. The voucher and account submitted by the third member shows that the Pullman rate was \$7, and that he paid \$2 thereof.

Expenses covering hotel bills, extra meals, and sleeping-car berths for 33 days:

Total -----	\$288.40
Daily average expenditure-----	8.74

OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL.

Account of Harry Bacharach:

Suspend -----	\$3.50
Allow-----	497.44

E. T. B.

TREASURY DEPARTMENT,
OFFICE OF AUDITOR FOR POST OFFICE DEPARTMENT,
Washington, August 29, 1910.

Mr. HENRY BACHARACH. *Atlantic City, N. J.*

SIR: Your claim for traveling expenses incurred during the months of January, February, and March, 1909, while traveling on business of the Post Office Department, was received on August 13, 1910, from that department, and has been audited as follows:

Amount of claim-----	\$500.94
Amount of items suspended-----	11.25
Amount allowed-----	489.69

Items suspended.

1909.

Feb. 1. Pullman, Philadelphia to Washington, no voucher-----	\$0.75
4. Extra fare on limited train, Atlantic City to Chicago (for explanation required by Postmaster General's order, see A)-----	9.00
10. Pullman, Washington to Atlantic City, no voucher-----	.75
Mar. 5. Telephone, not shown service was official-----	.75
Total-----	11.25

- A. From Postmaster General's order: "When recourse must be had to other than the ordinary modes of transportation, such as on limited trains or special trains, upon which there is an excess fare, or other conveyance, the reasons therefor should be set forth in a memorandum accompanying the account."

Respectfully,

M. O. CHANCE, Auditor.

UNITED STATES POST OFFICE,
Atlantic City, N. J., August 31, 1910.

Hon. M. O. CHANCE,

Auditor for Post Office Department, Washington, D. C.

SIR: Replying to your letter of the 29th instant (B), in which you state that my claim for traveling expenses has been audited and certain items suspended,

¹ This should be allowed without question; on long journeys everyone who can uses the fast trains.—E. T. B.

² Suspend.

³ O. K., see account of G. W. B.

I would state that for the first item suspended, "February 1. Pullman. Philadelphia to Washington, no voucher," a voucher, No. 10, was sent you. "February 10, Pullman, Washington to Atlantic City, no voucher," the voucher was sent in marked "No. 15." Regarding the last item suspended, "March 5, telephone, not shown service was official," I would state that all of these calls were absolutely official. They were not my calls alone, but those of the other members of the commission also, and most of them, if not all, were calls to the Post Office Department, either to the First Assistant Postmaster General or to his chief clerk, relative to matters under discussion.

Relative to the second item, "February 4, extra fare on limited, Atlantic City to Chicago," I would state that this date should be February 21. On the 20th, late in the evening, I received a telegram from the chairman of the commission, stating that that body would meet in Chicago on Monday morning, at 9 o'clock, and this train was the only one I could take to reach Chicago anywhere near the time specified. By my arriving at Chicago at an early hour it was possible for the commission to leave there late that same evening instead of spending two days in that city, as anticipated. The \$9 was more than saved by the commission not having to stay there over night and spending an extra day there.

With further reference to the vouchers for Pullman fare, I would state that my expense account was first sent to Mr. Bushnell, chief clerk of the First Assistant Postmaster General, who looked it over and said that all the vouchers were there. In fact, I sent it to him twice, as the first time a few vouchers were missing, which he informed me of.

Under the above circumstances I believe that all of the suspended items should be allowed.

Very respectfully,

HARRY BACHARACH, *Postmaster.*

No. 3

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

TO INVESTIGATE THE POST OFFICE
DEPARTMENT

MAY 25, 26, AND 27, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE.
1911

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call]

WILLIAM A. ASHBROOK (Chairman), of Ohio.

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, Clerk.

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Thursday, May 25, 1911.

AFTER RECESS.

The committee met at 2.30 p. m. pursuant to the taking of recess, Hon. William A. Ashbrook (chairman) presiding.

TESTIMONY OF MR. THEODORE L. WEED, CHIEF CLERK OF THE POST OFFICE DEPARTMENT.

The witness was sworn by the chairman.

Mr. TOWNER. What are your initials, Mr. Weed?

Mr. WEED. Theodore L.

The CHAIRMAN. I would like to state to the committee that I had requested M. J. A. Holmes, purchasing agent of the Post Office Department, to appear before the committee at 2.30 o'clock to-day, but Mr. Hitchcock called me up on the phone and advised me that, owing to the fact that an important contract was to be made this afternoon, his presence was demanded in the Post Office Department, and he could not come this afternoon. Mr. Hitchcock stated that he would send Mr. Weed, the chief clerk, and he further informed me that Mr. Weed had more knowledge than Mr. Holmes as to the furnishing of the office of the Postmaster General and that we might interview him; if the presence of Mr. Holmes was required, he would come to-morrow morning.

Now, Mr. Weed, will you tell the committee the position you hold in the Post Office Department?

Mr. WEED. Chief clerk.

The CHAIRMAN. How long have you held that position?

Mr. WEED. Since March 1, 1910.

The CHAIRMAN. When were the offices of the Postmaster General refurnished?

Mr. WEED. I should say covering a period from April 1, 1910, to and including September, 1910.

The CHAIRMAN. Those improvements and expenditures were all made since you became chief clerk?

Mr. WEED. Yes, sir.

The CHAIRMAN. Will you please state under what appropriation these improvements were made?

Mr. WEED. The miscellaneous appropriation of the Post Office Department. It is commonly known as the contingent fund.

The CHAIRMAN. That fund is used as a general dump for expenditures, is it not?

Mr. WEED. Well, to a certain extent; but I would like to say this for the benefit of you gentlemen, that that is not so to as great an extent in the Post Office Department as elsewhere, because the general appropriation, which in round figures is about \$100,000, is known as the miscellaneous fund, or, rather, as the contingent fund, and it is subdivided into several headings, one of which is miscellaneous, another rent, another light and fuel, another advertising, and another for the Postal Guide, so that our expenditures in the Post Office Department are more restricted, perhaps, than in any of the other departments. I was chief clerk of the Department of Commerce and Labor and acting chief clerk of that department for some time before I was chief clerk, and their contingent fund was one large sum, something like \$65,000 or \$70,000, and you could spend just as much as you cared to, within the law, of course, for any particular purpose approved by the Secretary.

Mr. ALEXANDER. I have a copy of the appropriation bill for the fiscal year ending June 30, 1911. Does that contain the same provisions——

Mr. WEED. Yes, sir. That is the particular appropriation under which I made these expenditures you now refer to.

Mr. ALEXANDER. I would like to have you refer to it there and indicate the provisions of the law under which the expenditures were made.

The CHAIRMAN. You may state, Mr. Weed, the amount that was expended.

Mr. WEED. I beg your pardon. I took up Judge Alexander's question.

The CHAIRMAN. Oh, yes.

Mr. WEED. This is the postal service [indicating pamphlet]. I need the other.

Mr. AUSTIN. We need the postal appropriation, the legislative, the sundry civil appropriation.

Mr. WEED. This is the postal-service act you have given me here.

The CHAIRMAN. Did you make it under the postal-service act?

Mr. WEED. No.

The CHAIRMAN. It was under what act, then?

Mr. WEED. The legislative, executive, and judicial.

Mr. REDFIELD. Then, in substance, I gather you wish the committee to understand that the item you call "miscellaneous" is a subaccount under the general appropriation of the contingent fund of \$100,000?

Mr. WEED. Yes, sir.

Mr. REDFIELD. That is right?

Mr. WEED. Yes, sir.

Mr. REDFIELD. One of a series of subaccounts into which the general fund was divided?

Mr. WEED. Yes, sir.

Mr. REDFIELD. And it was out of that single subaccount you made this expenditure?

Mr. WEED. Yes, sir; with this qualification, that some new lighting, which I shall wish to explain to the committee later on, was installed, — at comes under still another subdivision of this big general

fund of \$100,000. I wish I could have that before me now. I could then speak more clearly as to the point. I would like to get the legislative.

The CHAIRMAN. Mr. Weed, how do the furnishings of the office of the Postmaster General compare with those of other Cabinet officers?

Mr. WEED. May I make just a little narrative statement of a couple of hundred words?

The CHAIRMAN. Yes.

Mr. WEED. All right. As I said, I was acting chief clerk and chief clerk of the Department of Commerce and Labor before becoming chief clerk of the Post Office Department, and had acquired quite an extensive knowledge of equipment, furniture, and supplies. When I became chief clerk of the Post Office Department, I found the building in a woefully dilapidated condition—and by that I mean that it was equipped with furniture which was 30 or 40 years old. I might specifically mention the Division of Money Orders, the Inspection Division, Division of Rural Mails, the Division of Star Contract Service, and the Division of Bonds, where the conditions were really disgraceful. The equipment in the Postmaster General's room was not so very much better, but the main difficulty there was the fact that the Postmaster General had originally three offices, one very large room and two smaller rooms, and a custom had grown up of using the very large room for private reception purposes. The room which the Postmaster General used for public receptions, and which some of you gentlemen will recall, was a small room, about twice as large as this, in which he had a stenographer, private secretary, confidential clerk, and two correspondence clerks, five clerks in all. Delegations came every day, and very frequently they were unable to get seats there; they had to sit on desks or go out in the hall and stand up. Numerous occasions of that sort happened, and that would throw the visitors right into where the correspondence of the Postmaster General was being conducted.

The Postmaster General at that time was about to leave for the West, and I asked his permission to change the rooms entirely, throwing the big room there into a public reception room for the convenience of Congressmen and Senators especially, and he said he would deprive himself of the use of that large room if I transformed his then reception room into a private office for himself. Before he left he told me to use my own judgment, exercising the care which he had always required of me, of course, to furnish the room. I want to say now with what follows—and now I am answering your question—that I am entirely responsible for this, and it was the result of my experience and observation as chief clerk of another department of the Government as well as of this one.

Mr. TOWNER. When was that, and who was the Postmaster General?

Mr. WEED. I went to the Post Office Department on March 1—

Mr. TOWNER. When was it that this was done?

Mr. WEED. I have not the exact dates, but I should say I began laying plans for it toward the latter part of April.

Mr. TOWNER. 1910?

Mr. WEED. Yes, sir.

Mr. TOWNER. The present postmaster?

Mr. WEED. The present postmaster.

Before definitely determining on what should go into the room, I made first a careful inquiry as to what had been done with the rooms belonging to other Cabinet officers, and in public buildings throughout the United States, and in courts and commissions which had recently been created by Congress, and, in fact, I even looked into the Capitol itself, into some of the committee rooms of the House and of the Senate, and my subsequent purchases, I should say, were well within the bounds of the sums that had been expended in those different buildings to which I referred.

Now, answering your question specifically, the furniture in the private room of the Postmaster General cost approximately \$3,300. The floor was practically rotten, and I had a new floor put in, new painting done, new woodwork wherever necessary, and new lighting, and I should say that those items brought it up close to \$4,000, if not to that sum.

Mr. ALEXANDER. Excuse me. What did you say the furniture cost?

Mr. WEED. I used the word "furniture." I should have been more explicit and said furniture, carpets, draperies, curtains—those four items—about \$3,300.

Mr. AUSTIN. Any fixtures?

Mr. WEED. Lighting.

Mr. REDFIELD. The new woodwork and lighting and so forth cost \$700?

Mr. WEED. Yes; and the new floor.

Mr. REDFIELD. \$700 for those?

Mr. WEED. About \$700.

Mr. AUSTIN. What is the size of that room?

Mr. WEED. The large room?

Mr. AUSTIN. Yes.

Mr. WEED. I should say the large room was 30 by 50.

Mr. ALEXANDER. That is not the room you are talking about now.

Mr. WEED. No; the large room is the one given up for the convenience, as I say, of the visitors.

The CHAIRMAN. Now, we understand, Mr. Weed, that the furnishings for this particular room cost \$3,300, including carpets.

Mr. WEED. And draperies.

The CHAIRMAN. Yes; and the other expenditures were \$700, making \$4,000 in all for the refurnishing of this room?

Mr. WEED. Yes, sir. I am speaking now of the private office. This is one private office. May I just make this reservation, that before I finish I may be privileged to tell of my entire system of renovating in the Post Office Department, because, after all, this was only an incident, and I think, in justice to myself, I should state the whole story.

Mr. ALEXANDER. You will have an opportunity to tell that before we get through.

Mr. WEED. Yes; but that is for you gentlemen to determine.

Mr. AUSTIN. As far as I am concerned, I am willing to hear it.

Mr. WEED. In connection with the lighting, Mr. Ashbrook, I simply wanted to say that when I went to the Post Office Department it was most inadequately lighted by large, heavy bronze fixtures, which had been put in at a cost of many thousands of dollars. As you know, we are night workers down there. I think our records

will show that all winter long we worked from 15 to 18 hours a day, and frequently I leave the department at 2 and 3 o'clock in the morning. The lights were inadequate. I found by an estimate of our electricians—and I called in the Capitol electrician, too, by the way—that within a comparatively short time, with the old system of lighting, it would be necessary to rewire the building at a cost of \$17,000. Make note of that—\$17,000. I changed the system of lighting, doubled the capacity of lights, and reduced the expense 50 per cent by putting in this new lighting system, utilized all the old fixtures, and saved the expenditure of \$17,000. Then we installed a garbage-destroying plant, which saved the Government the expense of hauling the garbage away.

Mr. ALEXANDER. Finish up on the furnishing question first and get it in some definite form.

Mr. WEED. I only hoped to have an opportunity to bring all this in, because it was a general scheme.

Mr. ALEXANDER. We would like the record to tell its own story.

Mr. WEED. All right, sir.

The CHAIRMAN. Now, then, you have informed us as to the furnishing of the private office of the Postmaster General. What expenditures were made in the way of furnishing the other offices?

Mr. WEED. In the corner room, as we call it, the southeast corner room—

The CHAIRMAN. What room did I understand you to be discussing?

Mr. WEED. I have been discussing the private office.

Mr. AUSTIN. Let him make a diagram of it.

The CHAIRMAN. I understand you have been discussing the room that was refitted for the private office of the Postmaster General?

Mr. WEED. Yes. This is Pennsylvania Avenue here [indicating on diagram]; this is Eleventh Street, where Harvey's restaurant is; this is the large new reception room, which was formerly a private room. I have been describing this room here, which was formerly the reception room.

Mr. REDFIELD. That is the room which is 30 by 50 feet?

Mr. WEED. No, sir.

Mr. ALEXANDER. What are the dimensions of the private office?

Mr. WEED. As I say, I came up here rather unprepared.

Mr. ALEXANDER. Approximately?

Mr. AUSTIN. Suppose he leaves the reference to the size blank, and let him measure it and fill it in afterwards. Then we will get the exact dimensions.

Mr. REDFIELD. Well, let us have that sketch.

Mr. WEED. I will give you the exact size of the three rooms—I will furnish that.

Mr. REDFIELD. Am I correct in assuming that you show substantial proportions?

Mr. WEED. Yes; substantially. I think that is about it.

The CHAIRMAN. Will you express an opinion as to the size of the private office which you have just been discussing?

Mr. WEED. I should say it was 20 by 25.

The CHAIRMAN. Twenty by twenty-five?

Mr. WEED. Yes; I should think so.

The CHAIRMAN. The large room that is now used for a reception room; how about that?

Mr. WEED. Little, if anything, has been done in the large room, with the exception of five mahogany desks and five mahogany chairs put in for the private secretary, the confidential clerk, and three stenographers in the Postmaster General's private office, costing approximately \$1,000.

Mr. REDFIELD. For the 10 pieces?

Mr. WEED. For the five desks and five chairs and some small filing devices.

Mr. ALEXANDER. Where was that?

Mr. WEED. In the big reception room; may we call it the new reception room, there—behind the brass railing?

Mr. REDFIELD. Did that include the rail?

Mr. WEED. I think so. I will give you the definite figures.

Mr. REDFIELD. The rail is worth 25 cents a pound.

Mr. WEED. Yes; but we used all second-hand rails, which had been in the Post Office Department with the museum exhibit for years. We had ~~it~~ welded together, and it cost very little.

The CHAIRMAN. As to the third of the suite of offices?

Mr. WEED. Yes. The room on the southeast of the building, when some few changes are made, will be completely refurnished with new carpet. There will be new carpet and new draperies, costing in all about—I may change these figures, may I not, and send you the exact figures in the morning, after I get a chance to look at my books?

The CHAIRMAN. Yes.

Mr. WEED. \$2,500.

The CHAIRMAN. In all, \$7,500 for the three offices.

Mr. WEED. Yes; well within that figure.

The CHAIRMAN. I would like to say that Mr. Holmes was requested to come here, and Mr. Weed came here on short notice. Since the committee recessed that change was made?

Mr. WEED. Yes.

The CHAIRMAN. Mr. Weed informed me, previous to the assembling of the committee, that he had these figures well in mind, and he thought he would be able to give us the information desired. I inquired of him if he brought the bills with him.

Mr. WEED. Yes. I had no notice, as you know; but wherever you ask me a question and I can not answer it definitely, if you will leave it blank, I will fill it in in every instance exactly from the records.

Mr. ALEXANDER. I would suggest that you bring the original bills for the expenditures.

Mr. WEED. I will do that cheerfully. I will be glad to do it.

The CHAIRMAN. I understand, Mr. Alexander, you want those included in the record?

Mr. WEED. I will be very glad to.

Mr. REDFIELD. Who made the mahogany desks?

Mr. WEED. Doten-Dunton, of Boston.

Mr. REDFIELD. Were they made to order?

Mr. WEED. They were made to order.

Mr. REDFIELD. Of special design?

Mr. WEED. Exactly.

Mr. REDFIELD. And approved?

Mr. WEED. Yes, sir.

Mr. REDFIELD. You say they are made of mahogany?

Mr. WEED. No; the furniture in the present private office of the Postmaster General is Circassian walnut, and in the other two rooms mahogany.

Mr. REDFIELD. What was the cost of the Circassian walnut desks?

Mr. WEED. Approximately \$350. I will supply the exact figures.

Mr. REDFIELD. Was any attempt made to secure competitive bids on this work?

Mr. WEED. No, sir.

Mr. REDFIELD. Was there any attempt made to buy standard furniture from any maker?

Mr. WEED. No, sir.

Mr. REDFIELD. Throughout, from the beginning, the plan that was carried out was the having of special designs made and goods made to order, without competition?

Mr. WEED. Yes, sir.

Mr. REDFIELD. When you speak of the furnishings amounting to \$3,300 in the little room, the private office, approximately 20 by 25 feet, one-tenth of that, I understand, was in that one Circassian walnut desk—\$300, about?

Mr. WEED. Substantially.

Mr. REDFIELD. Now, what other furniture was there?

Mr. WEED. I will enumerate every article: A desk, a large round table, six chairs, two small tables, one a telephone table and one a book table, and a waste-paper basket, made of the same material.

Mr. REDFIELD. These were all made of Circassian walnut?

Mr. WEED. Everything in the room.

Mr. REDFIELD. And all of it designed specially?

Mr. WEED. All designed specially.

Mr. REDFIELD. And all purchased without competition?

Mr. WEED. Yes, sir; all without competition.

Mr. REDFIELD. Were the draperies of special design also?

Mr. WEED. Likewise; yes, sir.

Mr. REDFIELD. Were they woven to order?

Mr. WEED. Not that I know of.

Mr. REDFIELD. But they were specially designed and were assembled and directed to order, without competition?

Mr. WEED. Exactly.

Mr. REDFIELD. As to the carpet—

Mr. WEED. The carpet the same way. So far as I know, that carpet was made—to use your word “assembled”—to fit the room.

Mr. REDFIELD. Of one piece?

Mr. WEED. One piece.

Mr. REDFIELD. Not a carpet made in lengths and put together?

Mr. WEED. One piece.

Mr. REDFIELD. A specially designed carpet for the room?

Mr. WEED. Yes, sir.

Mr. REDFIELD. And that was ordered without competition?

Mr. WEED. Just the same as the other furnishings. That applies to all purchases made in the Postmaster General's office, and I think that is the case in all offices of the Cabinet members.

Mr. REDFIELD. And the same thing is true of that southeast corner room?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Was the carpet made specially to order?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Were the draperies made to order?

Mr. WEED. Yes, sir; likewise.

Mr. REDFIELD. In special designs?

Mr. WEED. The draperies, of course, had to be measured and cut, according to certain lines.

Mr. REDFIELD. Was there anyone employed to design the color scheme or work of that character?

Mr. WEED. No; the color scheme was practically my own idea.

Mr. REDFIELD. Are there included in these figures anything in the way of office apparatus?

Mr. WEED. What do you mean by "office apparatus?"

Mr. REDFIELD. Anything in the nature of office machinery like——

Mr. WEED. Typewriters?

Mr. REDFIELD. Adding machines, listing machines, typewriters, counting machines, and things of that character?

Mr. WEED. Not in the figures I have mentioned.

Mr. REDFIELD. This is simply a case of furniture for the use of the occupants of the rooms?

Mr. WEED. Yes, sir; of the occupants of the rooms.

Mr. REDFIELD. I want to get this very clearly before the committee.

Mr. WEED. Yes, sir.

Mr. REDFIELD. Here was a case where no attempt was made to get the competitive prices or designs.

Mr. WEED. None whatever.

Mr. REDFIELD. Where no attempt was made to buy the goods, even the best goods, in the open market; but where a special designer and manufacturer of what we might call art furniture was employed?

Mr. WEED. Exactly.

Mr. REDFIELD. At a figure which was deemed proper by you?

Mr. WEED. Exactly. I might say, of course, nothing of this kind was on contract, and it was never the intention, I believe, of the supply committee to have such furniture on contract.

Mr. REDFIELD. Are there no general regulations as to the purchase of goods which affect all buying officers in your department?

Mr. WEED. All appointing officers?

Mr. REDFIELD. All buying officers.

Mr. WEED. Oh, yes; there are laws governing the purchase of goods.

Mr. REDFIELD. Is there no law which regulates the amount to which purchases may be made without competition?

Mr. WEED. No—well, that is a hard question to answer.

Mr. REDFIELD. Oh, I think that is a very simple question, Mr. Chairman, to answer.

Mr. WEED. Will you kindly repeat it?

Mr. REDFIELD. I will illustrate: In the city of New York no officer of the city who is authorized to do buying can purchase above \$1,000 at one time of one article without public competition. Is there any regulation of a similar character in your department?

Mr. WEED. Not that I know of.

Mr. REDFIELD. So far as you know, you have unlimited authority to spend as you see fit, up to the limit of your appropriation?

Mr. WEED. Exactly; subject, of course, to the approval of the Postmaster General.

Mr. REDFIELD. And no requirement of any nature in the way of law or rule or custom which requires competitive bids?

Mr. WEED. Not for furnishing the office of a Cabinet officer; no, sir; certainly nothing in the way of custom, nothing in the way of requirement, and nothing that I recall, during my tenure of office, in the way of precedent. I might say that accounts there and in the Department of Commerce and Labor, under my administration, were passed without question by the disbursing officers of the department, by the auditor of the department, and by the comptroller.

The CHAIRMAN. Just there, Mr. Weed, what authority, if any, does the Auditor of the Post Office Department or the comptroller have as to the auditing or checking of bills sent to them? As a matter of fact, do they not simply perform a clerical work and pay the bills when approved by the Postmaster General?

Mr. WEED. No, sir.

The CHAIRMAN. Is not he the highest authority?

Mr. WEED. No, sir; he is not. The auditor and comptroller, so far as fiscal affairs are concerned, are higher than the Postmaster General.

Mr. McCoy. Suppose, Mr. Weed, you had spent \$10,000 for a desk, just by way of illustration.

Mr. WEED. Yes.

Mr. McCoy. Who would in any way be entitled to call that expenditure into question on the ground that it was unreasonable?

Mr. WEED. The Postmaster General.

Mr. McCoy. Then, provided he O. K.'d that expenditure, and it was within the appropriation for office furniture, neither the auditor nor the comptroller would have any authority to question it at all?

Mr. WEED. Not at all in that case.

Mr. McCoy. In other words, what Mr Ashbrook asked is whether they do not simply find out that a thing is a legal expenditure—that is, of a kind authorized by law?

Mr. WEED. Exactly.

Mr. McCoy. But they could not check any gross extravagance, if any such extravagance did exist.

Mr. WEED. Not if it were within the law. The auditor could not say whether there was a necessity to purchase that desk for \$10,000 or \$100.

Mr. McCoy. In other words, the appropriation has not been exceeded, the Postmaster General O. K.'d the amount, and the auditor then passed it through, as a matter of course.

Mr. WEED. If the purchase has been made in proper form and if it has been made in a form that is in full compliance with the appropriation.

Mr. McCoy. When you say the purchase has been made in proper form, what do you mean by that?

Mr. WEED. I might say this, that if it were for general departmental purposes, ordinarily speaking, it would be made subject to advertisement and competition, not necessarily the selecting of the lowest bid or proposal. It might be the lowest best proposal. For many administrative reasons that leeway has been given to admin-

istration officers. They are given the right to reject the lowest bid, if deemed proper.

Mr. McCoy. I am taking a case now such as exists here. I was not here at the opening of this session. I understand there was an appropriation of \$10,000 for furnishings.

Mr. WEED. It was twenty-three or twenty-four thousand—twenty-four thousand, I think.

Mr. McCoy. For the purpose of furnishing the Postmaster General's office?

Mr. WEED. No; for miscellaneous supplies for the Post Office Department, including the purchase of furniture, filing devices, carpets, linoleums, newspapers, periodicals—oh, twenty-five or thirty objects. Have you the little red pamphlet giving the appropriation for the Post Office Department. I think I see it over there.

Mr. ALEXANDER. I think Mr. Weed has the law there before him now.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. What I want to know, Mr. Weed, is the clause in the executive and legislative appropriation bill under which this expenditure was made.

Mr. WEED. The seventh paragraph of the contingent expense.

Mr. McCoy. What page is that on?

Mr. WEED. Page 61, Public Document 213.

For miscellaneous items, including the exchange of typewriters and adding machines, plumbing, carpets, matting, furniture, indexes—

This year it is \$23,000, and last year it was \$24,000. That is the only difference.

The CHAIRMAN. Mr. Weed, on page 61 of the 1912 act, it is \$10,000.

Mr. WEED. Not under miscellaneous items. It is \$23,000 under miscellaneous items.

The CHAIRMAN. For furniture and filing cabinets?

Mr. ALEXANDER. I asked him under what provision of the law these expenditures were made. Read it into the record, showing where you got your authority. That is what I want to know.

Mr. WEED. I think I understand what you mean now. Then we ought to turn to section 3709 of the Revised Statutes, which gives the authority for emergency purchases.

Mr. ALEXANDER. No; I want to know under what specific appropriation these expenditures were made. You spent that amount of money and I want to know where it came from.

Mr. WEED. I can not give you the exact page. I am giving you the same item in the present appropriation bill, which appears on page 61.

Mr. ALEXANDER. What is the item?

Mr. WEED. Contingent expenses, seventh paragraph, beginning:

For miscellaneous items, including the exchange [of typewriters and adding machines, plumbing, carpets, matting, furniture, indexes, filing devices, and postage stamps—

Mr. TOWNER. The enumeration of the articles in the particular appropriation that you spent this money out of might have been different from the enumeration this year.

Mr. WEED. Yes; it was, very slightly. They put in this year, at my request, filing devices. Last year, I think it was, not in that particular section; but really I do not know that that has any important

bearing on the case. I would be very glad to get last year's appropriation and read it.

Mr. ALEXANDER. You will note, following that paragraph, is a paragraph, "For furniture and filing cabinets."

Mr. WEED. Yes.

Mr. ALEXANDER. What was the appropriation under that paragraph for the fiscal year ending June 30, 1910?

Mr. WEED. There was a similar paragraph that was inserted by the two committees, at my special request, because of the urgent necessity to renovate the Post Office Department. It was in a very dilapidated state, and had been so for 30 years, and it has been an effort on my part to introduce up-to-date business methods. The Postmaster General was doing away with the old three-fold filing system and installing the vertical files. We flatter ourselves on having a business-like department, and we were extending all our energies to make it so.

Mr. ALEXANDER. As I understand it, the expenditure was made out of the appropriation of \$25,000 under the paragraph that reads:

For miscellaneous items, including the exchange of typewriters and adding machines, plumbing, carpets, matting, furniture, indexes, filing devices, and postage stamps for correspondence addressed abroad which is not exempt under Article XI of the Home Convention of the Universal Postal Union.

Did you make that expenditure under that clause?

Mr. WEED. Under that clause and under the second paragraph, reading, "For fuel and repairs to heating, lighting, and power plant," and under the third clause, reading, "For gas and electric lights," and under the fifth clause, reading, "For painting," and then under the seventh clause as you have already read it, "For miscellaneous items."

Mr. ALEXANDER. There was no special appropriation made for the fiscal year ending June 30, 1910, for furniture and carpets and draperies for the Post Office Department?

Mr. WEED. Yes, Judge, there was; only it might appear under the heading "Miscellaneous items." You have it there for 1910, you will see that it does appear.

Mr. ALEXANDER. I say there is no specific appropriation.

Mr. WEED. Yes, sir; there is.

Mr. ALEXANDER. How can you call it specified? You can not read it into that paragraph.

Mr. WEED. Well, I should, if it says, "For miscellaneous items," including carpets.

Mr. ALEXANDER. But I say there was no specific appropriation in the appropriation bill for the fiscal year ending June 30, 1910, for these purposes.

Mr. WEED. Well, there must have been.

Mr. ALEXANDER. You made the expenditure under this caption "For miscellaneous items"?

Mr. MCCOY. In other words, the items were not specifically named in that appropriation bill?

Mr. WEED. I think they were. I would not have had authority to make those expenditures unless there was a specific appropriation. He means there was not a little paragraph devoted to them?

Mr. ALEXANDER. I mean there was not a line in the law that specifically authorized you in buying furniture for the Post Office Department.

Mr. WEED. Oh, yes; there is.

Mr. ALEXANDER. Where is it?

Mr. WEED. Give me the act, and I will read it to you.

Mr. MCCOY. Mr. Alexander, you have the 1912 act, and Mr. Weed has the 1911 act, and we are talking about the 1910 act. That is where the trouble is.

Mr. WEED. I could not have purchased the furniture without specific authority. The auditor would not pass the account. It is in all of the acts, as far back as you could go.

Mr. ALEXANDER. It is not in the 1912 act.

Mr. MCCOY. It is not in the 1912 act. There is a separate and distinct appropriation there for furniture and filing cabinets, \$10,000.

Mr. REDFIELD. The distinction is that between the specific and general appropriation.

Mr. WEED. I can not admit that, because if it mentioned furniture, whether in the middle of a paragraph or anywhere else, it is specifically stated.

Mr. REDFIELD. In the act of 1910?

Mr. WEED. Yes, sir.

Mr. REDFIELD. That is the reason we want to send for it.

Mr. WEED. Yes, sir.

Mr. MCCOY. It is also mentioned in the 1911 act, but not in the 1912.

Mr. WEED. Oh, yes it is. Mr. Alexander says it was not mentioned in specific terms. That is, you mean the word "furniture" did not appear, but it did. It appeared in all the acts. I suppose if we go back 20 years we will find it in each of them.

Mr. ALEXANDER. It did not appear under any one of the clauses under which you said the expenditures were made; that is, in this act.

Mr. WEED. Well, if I had it I could show it to you.

Mr. ALEXANDER. That is why I sent to get it. That is what I sent for. My reason is because of that; the Appropriation Committee has no right to complain unless the appropriations made by Congress are more specific.

Mr. WEED. Here is the situation: If I were chief clerk of a department and bought furniture in any year, without authority to do it in the appropriation act, I should be, and would be, immediately dismissed from the department. That may not convince you, but it is true, nevertheless.

Mr. ALEXANDER. There has always been a saving clause in appropriation bills.

Mr. WEED. No; it is more specific. It mentions furniture in express terms.

Mr. ALEXANDER. Now, as to another matter. What are your duties as chief clerk?

Mr. WEED. May I turn to the Congressional Record and read them off? They are all there.

Mr. ALEXANDER. Well, do they include purchase of furniture and fixtures for the Post Office Department?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. What are the duties of Mr. Holmes?

Mr. WEED. Mr. Holmes is purchasing agent, and it is his duty, under the law, to supervise purchases, under the direction and control of the Postmaster General. In other words, he is a sort of third party—he is the intermediary between the contractor and the pur-

chasing power in the department. The chief clerk is what you might term the business manager of the Postmaster General and moves subject to his express directions. The chief clerk is empowered with the ordering of the purchasing of all the supplies in the equipment of the Post Office Department. The management of the personnel of the department in Washington and the management of the postal guide and of the various services of the department are his.

Mr. ALEXANDER. Is there no one in the department specifically charged with the purchase of supplies for that department?

Mr. WEED. The purchasing agent, under the direction and control of the Postmaster General.

Mr. ALEXANDER. The Postmaster General does not make the purchases?

Mr. WEED. No, sir; but he directs how they shall be made, very frequently.

Mr. ALEXANDER. How about the different Assistant Postmaster Generals—the First Assistant, the Second Assistant, the Third Assistant, and the Fourth Assistant?

Mr. WEED. They have nothing to do with it?

Mr. ALEXANDER. They have nothing to do with it?

Mr. WEED. No, sir.

Mr. ALEXANDER. The Postmaster General himself does not personally have anything to do with it; does he?

Mr. WEED. No, sir; not in the sense that you mean.

Mr. ALEXANDER. Then, does not this duty devolve on the purchasing agent?

Mr. WEED. No, sir; on the chief clerk.

Mr. ALEXANDER. Can the Postmaster General say to his chief clerk, "You go and buy certain goods," without referring to the purchasing agent?

Mr. WEED. Yes. The purchasing agent has nothing whatever to do with it.

Mr. ALEXANDER. Did you advise with him as to what expenditures should be made?

Mr. WEED. Not at all.

Mr. ALEXANDER. As to what articles should be purchased?

Mr. WEED. Not at all.

Mr. ALEXANDER. And as to the prices to be paid for them?

Mr. WEED. No, sir.

Mr. ALEXANDER. You have carte blanche from the Postmaster General to do that.

Mr. WEED. Well, all chief clerks have.

Mr. ALEXANDER. Is that the custom in the department, for the Postmaster General to say to the First Assistant Postmaster General or the Second Assistant Postmaster General or the Third Assistant Postmaster General or the Fourth Assistant Postmaster General, or their chief clerks, "You go and make such purchases as you choose for the department"?

Mr. WEED. No, sir.

Mr. ALEXANDER. And there is no one to supervise the way in which purchases shall be made and the prices paid?

Mr. WEED. Absolutely. I am that officer. That was the meaning of my statement.

Mr. ALEXANDER. Is there any law that provides that these purchases shall be made in a certain way—for instance, that they shall be made on competitive bids?

Mr. WEED. There is such a law.

Mr. ALEXANDER. Very well.

Mr. WEED. There are limitations.

Mr. ALEXANDER. Does it control in making purchases?

Mr. WEED. It does at certain times.

Mr. ALEXANDER. Why not in this instance?

Mr. WEED. It does not control with respect to presidential offices.

Mr. ALEXANDER. This is what you call a presidential office?

Mr. WEED. Yes, sir; the office of the Postmaster General.

Mr. ALEXANDER. A presidential office is a post office; not a department like this?

Mr. WEED. Anyone who is appointed by the President is termed a "presidential officer."

Mr. ALEXANDER. Then there is no limitation of law, as I understand you, controlling the price to be paid or requiring competition in the purchase of supplies for that great department?

Mr. WEED. No, Mr. Alexander, I do not say that. I would not like to answer such a general question. If you will ask me specifically, I will answer it. There are two sides to this question.

Mr. ALEXANDER. Is there no check on purchases for the Post Office Department; if so, what is it?

Mr. WEED. Most decidedly, there are laws and checks; any number of them.

Mr. ALEXANDER. What are they?

Mr. WEED. Of the strictest kind.

Mr. ALEXANDER. What check was there on you?

Mr. WEED. The check that I was purchasing for the Postmaster General——

Mr. ALEXANDER. No; not for him personally. You were purchasing for the department. There is no specific appropriation here for the Postmaster General; it is for the Post Office Department.

Mr. WEED. Exactly; but I was purchasing for his office, and, as I say, no question has ever been raised, from the lowest to the highest accounting officer of the department, against the Postmaster General exercising his discretion in all of those things for his own immediate office.

Mr. ALEXANDER. There is only one check, and that is the appropriation.

Mr. WEED. Only the appropriation, yes, sir; so far as purchases for the Postmaster General personally are concerned. I might make a distinction between the department and him, because all of our purchases are strictly in accordance with the law.

Mr. ALEXANDER. Suppose all the Postmaster General's offices had been properly equipped and did not need any furniture, but the First Assistant Postmaster General's office did need refurnishing, new carpets, draperies, and new furniture.

Mr. WEED. Yes.

Mr. ALEXANDER. How would that purchase have been made?

Mr. WEED. By the chief clerk.

Mr. ALEXANDER. By you?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And without any restriction or limitation on you, except the amount of money appropriated for that purposes, and without a law or regulation of the department requiring you, if you wanted to buy desks, or carpets, or anything else, to submit that to competitive bids?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. You have the right, under the law, to make your purchases from whom you will, pay the prices you choose, and select the kind of furniture that suits you best?

Mr. WEED. Of course, I can not reply to that, because that is a statement.

Mr. ALEXANDER. Is not that the fact; is not that what you did in this case?

Mr. WEED. Yes; but I explained where the difference occurs. The comptroller and Attorney General have both held—and I can bring you a reference to their decisions—that where no useful purpose could be served by competition, it is unnecessary to resort to competition. Where the Postmaster General or, if you will, the one to whom he has delegated the authority, desires a patented article, he need not resort to competition. If he needs an article of a certain design, and the Postmaster General gives the purchase of it his authority, he need not resort to competition. That is well-settled law.

Mr. ALEXANDER. You did not buy any patented articles?

Mr. WEED. No; but I mentioned the two kinds—patented articles and articles of a special design.

Mr. McCoy. How far would that exemption from restriction go with reference to articles of special design?

Mr. WEED. So far as the Postmaster General's immediate wants are concerned.

Mr. McCoy. In your opinion, do you speak of the two words "special design" as referring to a design for some special useful device, and not to a design of an elaborate desk, for instance? Do you interpret that to mean in matters of taste and design in furniture? Did that cover such a thing as that?

Mr. WEED. Yes; so far as the Postmaster General is concerned. I never heard the right of a Cabinet officer to purchase what he wanted questioned. It is inconceivable to me that it should ever be questioned.

Mr. McCoy. Has this opinion which you speak of solely reference to purchases for Cabinet officers?

Mr. WEED. No.

Mr. McCoy. To what other purchases does it refer?

Mr. WEED. I should like to submit the opinion. Could I do that?

Mr. AUSTIN. Yes; I think so.

Mr. McCoy. Yes; submit the opinion. I would like that interpretation of it. It is a matter of interpretation, evidently.

Mr. ALEXANDER. We had better get it first, because he does not undertake to state it correctly.

Mr. WEED. No; I would only consume your time, and to-morrow morning I will give you the opinion.

Mr. ALEXANDER. Here is the appropriation act for the year ending June 30, 1910. Now, read into the record the division of the law under which these expenditures were made.

Mr. WEED. The seventh paragraph, page 59.

Mr. ALEXANDER. Read it.

Mr. WEED. Under contingent expenses. It reads:

For miscellaneous items, including the exchange of typewriters and adding machines, plumbing, carpets, matting, furniture, indexes, filing devices, and postage stamps for correspondence addressed abroad which is not exempt under Article XI of the Rome Convention of the Universal Postal Union, \$25,000, of which sum not exceeding \$3,985, etc.

Mr. ALEXANDER. Well, that is enough. We have the paragraph under which the appropriation is made.

Mr. WEED. Yes, sir.

Mr. REDFIELD. Are you under a bond?

Mr. WEED. I am not; no, sir.

Mr. REDFIELD. In your position as purchasing officer do you have this unlimited authority without giving any security to the Government for proper exercise of that authority?

Mr. WEED. Exactly.

Mr. REDFIELD. Whose make are these vertical file cabinets?

Mr. WEED. Globe-Wernicke.

Mr. REDFIELD. Are your parquet floorings of the same make?

Mr. WEED. They do not make parquet floorings, of course. That firm was given the entire contract for furniture.

Mr. REDFIELD. You did not take any piece from the Library Bureau?

Mr. WEED. No, sir.

Mr. REDFIELD. From no other concern?

Mr. WEED. No, sir.

Mr. REDFIELD. You knew of the existence of the Library Bureau?

Mr. WEED. Quite well.

Mr. REDFIELD. Where is the main office of the Globe-Wernicke Co.?

Mr. WEED. On F Street.

Mr. REDFIELD. I mean the main office.

Mr. WEED. I think Cincinnati, but I am not positive of that.

Mr. REDFIELD. You knew of the existence of these other concerns?

Mr. WEED. Quite well.

Mr. REDFIELD. You have been solicited by the Library Bureau, of Boston, have you not, for business?

Mr. WEED. Possibly. I can not say that I directly remember, but I presume all of them have solicited business.

Mr. REDFIELD. And you gave the business, without competition, to the Globe-Wernicke Co.?

Mr. WEED. Yes, sir.

Mr. REDFIELD. For these vertical file cabinets?

Mr. WEED. Yes, sir.

Mr. REDFIELD. You did that, recognizing that in adopting that type of cabinet you were binding yourself, so long as they were in service, to purchase from that same concern all the supplies incidental to the use of those cabinets?

Mr. WEED. No; I can not say that I recognized that right. That may be a custom.

Mr. REDFIELD. You inspected it sufficiently, did you not, to know that those cabinets are so made that the filing cases of other makes will not fit them?

Mr. WEED. I do not know that that is a fact, that they will not fit them, because there is a standard unit made by quite a number of filing device companies and I dare say that one would fit the other.

Mr. REDFIELD. I am using both myself regularly and one will not fit the other.

Mr. WEED. Well, I do not say the Library Bureau. I do not mean that, but I say there are probably eight or ten, like the Shaw-Walker, Yawman & Erbe, Library Bureau, and Globe-Wernicke——

Mr. REDFIELD. Go on and tell them all.

Mr. WEED. There are quite a number. I venture the assertion that there are 10 of them, some of which are interchangeable and some not.

Mr. REDFIELD. And, in the exercise of your judgment, you preferred this one without consulting the others?

Mr. WEED. Yes.

Mr. REDFIELD. Of whom did you get your parquet flooring?

Mr. WEED. Of the Globe-Wernicke Co. They are the contractors.

Mr. REDFIELD. I understood you to say that they did not make it?

Mr. WEED. I said the Globe-Wernicke Co. did not make it, but they are the contractors and contracted for the entire equipment of the Postmaster General's office.

Mr. REDFIELD. Oh, I begin to see. You placed a contract with the Globe-Wernicke Co. for this entire amount?

Mr. WEED. Yes, sir.

Mr. REDFIELD. You did so, knowing that they were not the manufacturers of a large portion of this——

Mr. WEED. Exactly. Wait; of a large portion of what?

Mr. REDFIELD. Furniture. You knew they did not make furniture?

Mr. WEED. They make filing devices.

Mr. REDFIELD. You knew that they did not make furniture?

Mr. WEED. I know that Doten-Dunton firm made furniture.

Mr. REDFIELD. And that the Globe-Wernicke Co. did not?

Mr. WEED. Exactly.

Mr. REDFIELD. And that the Globe-Wernicke Co. did not make the carpets?

Mr. WEED. Exactly.

Mr. REDFIELD. Or draperies?

Mr. WEED. Exactly.

Mr. REDFIELD. Or the desks or chairs?

Mr. WEED. Yes.

Mr. REDFIELD. You knew, substantially, that the Globe-Wernicke Co. made only the filing cabinets and the apparatus used with them; did you not?

Mr. WEED. Exactly.

Mr. REDFIELD. It was entirely competent for you, in your position, to have contracts directly with these other parties, was it not?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Did you ever hear before that the Globe-Wernicke Co. were general contractors?

Mr. WEED. No; I can not say that I ever heard it before. I do not know that they ever had been before.

Mr. REDFIELD. How did you happen to so proceed with them as to cause them to go outside of their regular business as manufacturers, and act as merchants in selling the goods of other makers?

Mr. WEED. They did not go outside of their regular business. The Globe-Wernicke Co., as such, had been in business here in Washington for about six months prior to my becoming chief clerk of the Post Office Department, perhaps not so long; but their goods had been sold through the firm of Moses & Co. However, when they established an agency here they went into various lines of business. They controlled the agency of the Doten-Dunton Furniture Co., of Boston, whose agency was prior to that time with the firm of Moses & Co., and likewise—while I am not informed completely as to the entire run of business done by the Globe-Wernicke Co.—it suffices to say that they did contract for the flooring and for the draperies and for the furniture.

Mr. McCoy. Mr. Weed, is there a purchasing agent in the Post Office Department?

Mr. WEED. Yes.

Mr. McCoy. Is he a statutory officer?

Mr. WEED. Yes, sir.

Mr. McCoy. Created by law?

Mr. WEED. Yes, sir.

Mr. McCoy. And does the law specify his duties?

Mr. WEED. Very clearly.

Mr. McCoy. And where is that law found?

Mr. WEED. In the Revised Statutes, of course. I do not happen to have it here at the moment, but I could place it in the minutes.

Mr. AUSTIN. Is it in the Postal Regulations?

Mr. WEED. Yes; it is in the Postal Regulations.

Mr. McCoy. When was the office created first?

Mr. WEED. I think about 1904; about the time, you will remember, of the Machen case in the Post Office Department, the case of Machen and Beavers.

Mr. McCoy. We will have to get the laws for 1904, then. When you go back to the office, Mr. Weed, unless the provisions in regard to creating the office of purchasing agent are very long and elaborate, will you not please bring them here?

Mr. WEED. They are rather long.

Mr. McCoy. Can't you bring that law with you to-morrow, so that we can get it?

Mr. WEED. Yes, I will bring the entire law. It is about 15 inches long.

Mr. McCoy. Well, in whatever way is most convenient.

Mr. WEED. Yes.

Mr. TOWNER. Mr. Chairman, may I ask a question?

The CHAIRMAN. Yes, if Mr. McCoy has concluded.

Mr. McCoy. Yes; I just wanted to ask that.

Mr. TOWNER. Mr. Weed, in order to clear the matter up a little, the Globe Wernicke Co., as I understand it, is a manufacturing company engaged in the manufacture of office furniture and devices?

Mr. WEED. Yes, sir.

Mr. TOWNER. Including tables, chairs, desks, and things of that sort?

Mr. WEED. I think they do manufacture desks, Mr. Towner. I made the statement that they did not, but I think they do; but there are a good many details, of course, of their business, of which I do not know anything.

Mr. TOWNER. That is enough, anyway. Now, that manufacturing establishment is located, as I understand you, in Cincinnati?

Mr. WEED. I think so.

Mr. TOWNER. They have an agency here in the city of Washington?

Mr. WEED. Yes.

Mr. TOWNER. That agency is now in the hands of what persons?

Mr. WEED. So far as I know, Mr. Campbell is their Washington representative—W. D. Campbell, who formerly was with Moses & Co.

Mr. TOWNER. They have an open store, have they not?

Mr. WEED. Yes; a very large establishment.

Mr. TOWNER. What is their location?

Mr. WEED. On F Street, between Twelfth and Thirteenth Streets. They have a very large establishment on the south side of the street.

Mr. TOWNER. And not only does this agent handle the Globe-Wernicke Co. furniture, but he also handles all other office furniture, does he not?

Mr. WEED. Of a great many kinds.

Mr. TOWNER. Including this Doten-Dunton Manufacturing Co. at Boston, which makes a specialty of manufacturing tables.

Mr. WEED. I would like to inject the words "high grade."

Mr. TOWNER. Chairs and desks and high-grade articles of that sort.

Mr. WEED. Yes, sir.

Mr. TOWNER. He then, while he is a representative in that capacity of the Globe-Wernicke Co., would also be a representative of the Doten Dunton Co.?

Mr. WEED. Exactly.

Mr. TOWNER. Now, it was to him that you gave this order or commission or contract for the furnishing of these rooms, was it?

Mr. WEED. Yes. Do you mean to him personally?

Mr. TOWNER. Well, to his firm.

Mr. WEED. To his concern; yes.

Mr. TOWNER. Yes; to his concern, whatever its name is.

Mr. WEED. Yes.

Mr. McCoy. The name is the Globe-Wernicke Co. That is the way they advertise it.

Mr. WEED. Yes.

Mr. TOWNER. That being true, then the Globe-Wernicke Co. here in Washington does deal in desks and chairs and furniture and things of that kind, does it not?

Mr. WEED. Yes; they do deal in them. I meant to bring that out clearly in my reply, but I wanted to distinguish——

Mr. TOWNER. Just answer the question, if you please.

Mr. WEED. Yes, sir.

Mr. TOWNER. Then this was not an exceptional contract in its nature, was it?

Mr. WEED. Not at all; not at all.

Mr. TOWNER. It was not a going outside by the Globe-Wernicke Co., of their ordinary business here in Washington, was it?

Mr. WEED. Not that I know of: no, sir.

Mr. TOWNER. This firm, whatever its name is, that handles the Globe-Wernicke Co.'s goods here in Washington not only handles those goods, but generally, for any office or any person that desires to buy, handles Globe-Wernicke Co. devices and furniture, and also all other office furniture?

Mr. WEED. Yes, sir.

Mr. TOWNER. Either on special order or generally?

Mr. WEED. Yes, sir.

Mr. TOWNER. That is all.

Mr. McCoy. Why did you not buy Globe-Wernicke Co. goods, Mr. Weed?

Mr. WEED. Because, as I say, the Doten-Dunton Co.—I would like to tell a rather complete story. In the Department of Commerce and Labor, when I inherited the office of chief clerk, I found Doten-Dunton furniture there. It had been tried for several years and it had the mark of approval stamped on it by all who had used it. I was more than satisfied with it myself. I purchased it in the Department of Commerce and Labor, when I was chief clerk, for bureau officers and for the Secretary and his assistants. It met with universal favor everywhere, and when I went to the Post Office Department I found it in the offices there. I merely continued the purchase of what was essential in every respect—a high-grade piece of furniture, which will be handed down, I am sure, for a good many years to our successors.

Mr. AUSTIN. Did you ever find anything better as a filing case?

Mr. WEED. I have never found anything better as a filing case or furniture.

Mr. McCoy. Mr. Weed, do you think that there might fairly be any question raised as to whether or not the quality of furniture purchased was not very much better than a man would use in furnishing an ordinary business office?

Mr. WEED. That is a very difficult question to answer.

Mr. McCoy. Well, what has been your experience in business before you came into the Government employ?

Mr. WEED. Well, I have been in the Government employ since 1898. I came in at the age of 22. Before that, I had little business experience. I was four years in one real estate office during the panicky times of 1893 to 1898, and, of course, very little was purchased during those days.

Mr. McCoy. Let us take an ordinary real estate office.

Mr. AUSTIN. I would just admit it is better, if I were you.

Mr. WEED. May I cut out all of that and say it is better? What I have said is irrelevant.

Mr. McCoy. That is, it is better than the ordinary?

Mr. WEED. Yes, sir.

Mr. McCoy. Very much better?

Mr. WEED. Yes; very much.

Mr. McCoy. The price is very much greater than you would expect the ordinary business man or the manager of an ordinary business office to pay for furniture for the use to which this furniture is put, and I will now for the sake of the question exclude the Circassian walnut desk, or whatever it was. Just take the desks in the outside offices.

Mr. WEED. I will answer that this way: Comparing Government establishments with establishments of similar importance and similar wealth on the outside, it is neither as good nor as expensive as furniture purchased for those establishments.

Mr. McCoy. You evidently are speaking from knowledge. Now tell me a single business office outside of the public offices that you

have in mind where they have a higher grade or an equally as good or as expensive furniture as that in these outside offices or this large office here, where you say there are really several desks?

Mr. WEED. The New York Central offices.

Mr. McCoy. In New York City?

Mr. WEED. Yes, sir; the new offices in New York City, and the Equitable Life Insurance Co.

Mr. McCoy. The new offices of the New York Central where?

Mr. WEED. Uptown. The Grand Central, the new building. I think it is between Forty-second and Forty-fifth Streets.

Mr. McCoy. You refer to the ones on Lexington Avenue?

Mr. WEED. Well, I do not place Lexington Avenue, exactly.

Mr. McCoy. I want to get the very place, because I want to go and look at them myself.

Mr. WEED. I have seen it, and I will get the very place from Mr. Rowan, who is the private secretary to Mr. Daly. Perhaps you know him.

Mr. McCoy. I know the name. This large room you speak of, with several desks in it, is used, you say, for some kind of typewriter desks, do you not?

Mr. WEED. Yes, sir.

Mr. McCoy. What is the highest price you paid for a typewriter desk for that office?

Mr. WEED. May I say that they are not exactly typewriter desks. They are combination typewriter and clerk's desks.

Mr. McCoy. Combination typewriter desks?

Mr. WEED. Because these gentlemen are more than typewriters. They are correspondence clerks and handle a great deal of correspondence.

Mr. McCoy. Are they similar to this desk in this office where we all are now?

Mr. WEED. No; they are quite different. They are larger.

Mr. McCoy. How much larger and how different?

Mr. WEED. In the first place, they are flat-top desks, Mr. McCoy.

Mr. McCoy. They are not roll-top desks?

Mr. WEED. They are not roll-top desks.

Mr. McCoy. All right; let us imagine the top off that desk. How do they compare then?

Mr. WEED. I should say half again as wide and about as deep.

Mr. McCoy. About half again this way [indicating]?

Mr. WEED. Yes.

Mr. McCoy. Then they have a place for a typewriting machine in the center, like that [indicating]?

Mr. WEED. And two rows of drawers on either side.

Mr. McCoy. How much did you pay for those desks?

Mr. WEED. I think the maximum price was \$160. I will give you the exact figures.

Mr. McCoy. Do you think, Mr. Weed, that in any department of the New York Central desks were furnished to anybody, for any purpose, equipped as a typewriter desk that cost \$160?

Mr. WEED. I can not answer that question about a typewriter, because I paid no attention to it, as it did not come under my notice at the time, and I had not that thought in mind when I made my

reply. I was speaking of office furniture for officers holding high positions in corporations.

Mr. McCoy. I am not. I am speaking about clerks in departments who do not hold any high position. What does the clerk who belongs to one of those desks in the Post Office building in that office get?

Mr. WEED. In that room?

Mr. McCoy. Yes.

Mr. WEED. One gets \$2,500, three get \$1,800, and one gets \$1,200.

Mr. McCoy. You think you saw in the New York Central offices in New York City any desk used by a clerk who gets \$2,500 or \$1,800 that cost \$160 or half of \$160?

Mr. WEED. I will say to your first question that I think I did.

Mr. McCoy. You think you did?

Mr. WEED. I think I did.

Mr. McCoy. In what particular office did you see it?

Mr. WEED. I just mentioned Mr. Rowan's and Mr. Daly's office.

Mr. McCoy. They were the personal clerks to those two men?

Mr. WEED. Mr. Rowan is a private secretary to Mr. Daly, and Mr. Daly is one of the vice-presidents of the road. I was in New York one year ago, and I did not go in there particularly for the purpose of drawing comparisons.

Mr. McCoy. You drew your own comparison; I did not ask it.

Mr. WEED. Yes; I know, but you asked me a number of specific questions which I had not in mind at the time.

Mr. AUSTIN. I would like to ask Mr. Weed a question in this connection: Do the Postmaster General's rooms correspond with those of the other members of the Cabinet, the Vice President, the Speaker of the House of Representatives, and the committee room of the Committee on Appropriations of the House?

Mr. WEED. I think they do, Mr. Austin. I think some of the rooms you have mentioned have been furnished much more elaborately than those of the Postmaster General.

The CHAIRMAN. What rooms do you think have been furnished so expensively?

Mr. WEED. I think the room of the Committee on Appropriations and the Vice President's chamber.

Mr. McCoy. Have you ever been in the office of the secretary to the President, the office occupied by Mr. Hilles?

Mr. WEED. Yes; I have.

Mr. McCoy. How does this office of the Postmaster General compare in furnishings with that office?

Mr. WEED. It is hard to draw a comparison, because in the secretary's office, in the White House, I think there is only one desk.

Mr. McCoy. A large, flat-top mahogany desk, double?

Mr. WEED. I have drawn no comparisons whatever between the two, however.

Mr. McCoy. I was asking you to make a comparison.

Mr. WEED. I am unable to answer. I am not in a position to answer.

Mr. AUSTIN. Is that a fair comparison?

Mr. McCoy. Let me ask you another question, then. I just want to get a basis of comparison, in order to get your notion as to what is a high price. Adjoining Mr. Hilles's office there is a small office

which faces toward the Treasury Department. Have you ever been in that office?

Mr. WEED. Not to my knowledge.

Mr. AUSTIN. That is Mr. Foster's room.

Mr. WEED. I am not a frequent visitor at the White House. I have been there on the Cleveland committee; that is all.

Mr. REDFIELD. To what particular offices in the Equitable Insurance Co. do you refer?

Mr. WEED. To the president's office.

Mr. REDFIELD. Formerly occupied by Mr. Paul Morton?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Can you tell me what furniture there is in that room?

Mr. WEED. No, sir; I can not begin to tell you.

Mr. REDFIELD. Do you know when it was purchased?

Mr. WEED. I have not the slightest information. I know nothing about it.

Mr. REDFIELD. Did you ever hear that Mr. Morton was elected president of that company pursuant to a popular uprising that had for its basis the extravagance of the company, resulting in legislative enactments?

Mr. WEED. I was rather young at the time. I do not know that I paid much attention to it.

Mr. REDFIELD. It was only six years ago.

Mr. WEED. I do not like to answer questions as to which I am not qualified to answer; that is all.

Mr. ALEXANDER. Well, that is your protection.

Mr. WEED. I would just as leave answer. It is my impression he was so elected.

Mr. MCCOY. Everybody knows he was.

Mr. WEED. It is my impression, but I do not know.

Mr. REDFIELD. As a matter of fact, that room did not begin to cost what this one did.

Mr. ALEXANDER. Do you approve of this method of making purchases by departments of the Government, as a business proposition; and if not, what suggestions would you make, in the interests of better administration and better business methods?

Mr. WEED. Well, Mr. Alexander, I have no reason not to be perfectly frank with you. I want to be in all my answers. I have tried to explain that the great bulk of the appropriations of the Post Office Department—and you know we spend something like \$250,000,000 a year—are constantly subjected to the strictest lines of regulation by competition. When the Postmaster General's own little personal office is concerned, there is a certain leeway which is allowed, and always has been allowed, and I really see no reason to change it. I think it would be a grave error to change the present system. It seems to me that when a man is a Cabinet officer, and he sacrifices all he does to occupy such a high position in the Government, just as Senators and Congressmen themselves do, and come here at a small salary, there are certain privileges to which he should be entitled. I am not a "cheap" man, and I do believe in fine equipment for offices of Cabinet officers, and I have no suggestion whatever.

Mr. ALEXANDER. You are talking about methods. I am not saying that you spent it extravagantly. I am leaving that out entirely; but I asked you if you approved this method as a business proposition?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. In making expenditures?

Mr. WEED. Absolutely.

Mr. TOWNER. Will you pardon my asking a question?

Mr. ALEXANDER. Go ahead.

Mr. TOWNER. Conceding, now, what you think, Mr. Weed, is correct—conceding now that this furniture that you secured for a Cabinet officer's place is just what it ought to be and no better than it ought to be—do you think the Government secured that furniture as cheaply as a private individual or great corporation would have secured it?

Mr. WEED. I think so; yes, sir.

Mr. TOWNER. You must have felt so at the time, of course, or you would not have allowed the prices charged?

Mr. WEED. I would not.

Mr. TOWNER. But what I would like to know is this: What means did you use in order to determine that the prices that you paid were not excessive? For instance, you paid \$160 for a typewriter desk. To us, that price would seem to be excessively high; to you, it does not seem to be excessively high. Now, what prices or what check, what comparisons, what means, did you have to satisfy you that you ought to allow \$160 to be paid for that typewriter desk?

Mr. WEED. Of course, as I say, my experience had run over a number of years, three or four years, during which time I had purchased every variety of desk. I had the advice of purchasing men, both in the Commerce and Labor Department and the Post Office Department, men who had made a specialty of office furniture, who had been around and looked into the different manufacturing establishments, and men who are employed for that particular purpose in the Treasury Department. I had bought desks of every kind and description, and I think you will admit that certainly in that time I must have gained some knowledge myself of the relative value of desks.

Mr. TOWNER. Do you tell the committee, Mr. Weed, that you depended on your own knowledge about these matters?

Mr. WEED. Not entirely—not entirely; but principally so. That is a sort of unsatisfactory answer, but I tried to show you just the situation.

Mr. AUSTIN. Well, you had no interest in the purchase of those supplies?

Mr. WEED. Not at all, sir. My books are open to the committee; every book.

The CHAIRMAN. Mr. Weed, I believe you have already agreed to furnish the committee a list of the articles purchased and their prices?

Mr. WEED. Yes, sir.

The CHAIRMAN. And the prices paid for same?

Mr. WEED. Yes, sir.

Mr. AUSTIN. And the opinion of the comptroller and the Attorney General.

Mr. WEED. Yes.

Mr. TOWNER. Before leaving that, I would like to ask another question, if you will allow me, Mr. Chairman?

Mr. Weed, in your experience, both as a purchasing agent for the Government and that which you derived from knowing other purchasers through a number of years, can the Government of the United States purchase as cheaply in the market the things that they use, such as furniture, as a private individual or corporation?

Mr. WEED. More cheaply. The Government is allowed a special discount which corporations and private concerns are not allowed.

The CHAIRMAN. You think, then, that the desks you purchased for the use of the Postmaster General were purchased at a lower price than some outside concern or corporation could buy them for?

Mr. WEED. I do, Mr. Ashbrook. That is my honest opinion.

Mr. AUSTIN. I think it would be well for the committee to go down then and look at these rooms.

Mr. TOWNER. Let me ask you another question.

Mr. WEED. The committee is welcome. It would be a great pleasure for us.

Mr. TOWNER. There is another question I want to ask, Mr. Chairman, if you will pardon me.

You say you believe the Government could purchase these articles cheaper than a private individual. In these orders that you made for these desks, I believe you said that they were specially manufactured on orders.

Mr. WEED. Yes, sir.

Mr. TOWNER. That they were not desks such as are in the market—stock desks such as are usually in the market?

Mr. WEED. Exactly.

Mr. TOWNER. Of course that adds to the price, does it not?

Mr. WEED. I should think so; yes, sir.

Mr. TOWNER. Well, do you know that it does?

Mr. WEED. Yes.

Mr. TOWNER. From your experience?

Mr. WEED. Yes; that is what I say.

Mr. TOWNER. Now, I want to ask this question: What percentage or proportion do you think a special order ought to cost more than a stock article in such lines as we have been speaking about? Can you give the committee any opinion on that?

Mr. WEED. I can not, Mr. Towner. It would depend so much upon the article, and you would have to get some basis of comparison.

Mr. TOWNER. Well, there are many flat-top desks, such as you have described, used and sold from stock. You see them advertised in the catalogues. Now, could you not make some comparisons between those and those specially ordered?

Mr. WEED. When I spoke I had in mind the Circassian walnut furniture. The flat-top desks while made to order are of stock pattern and made generally, and I do not know that the element you have mentioned comes into it. It costs, really, no more to order a flat-top desk than it does if they have it in stock.

Mr. REDFIELD. Do you know that it is double?

Mr. WEED. Double in price?

Mr. REDFIELD. Yes.

Mr. WEED. I do not think there is any increase in price.

Mr. REDFIELD. Do you know that it is three times?

Mr. WEED. Why, of course not.

Mr. REDFIELD. You are sure that it is not three times?

Mr. WEED. Of course. I have had experience; I have purchased desks, many hundreds of desks, and I know the relative values.

Mr. REDFIELD. You are certain that this desk is not three times as costly as what a strictly first-class desk of the best manufacture, made to order, of the same general kind, could be had for?

Mr. WEED. Are you speaking now of the mahogany desks?

Mr. REDFIELD. I am speaking of the Circassian walnut.

Mr. WEED. I can not give a comparison on that.

Mr. REDFIELD. Well, take a mahogany desk.

Mr. WEED. Yes; I am quite certain.

Mr. REDFIELD. You are quite sure of it?

Mr. WEED. I am quite sure.

Mr. ALEXANDER. I have been questioning the method of purchasing without competition. Don't you think that your method might give rise to criticism of favoritism or possible corruption in making purchases, when you select a certain manufacturer and go to him alone and make your purchases, without competition? Is not a man who does that open to a charge of favoritism, to say the least of it; and don't you think for that reason the law ought to safeguard him, and that he ought to safeguard himself by submitting his purchases to competition? Now, the Globe-Wernicke Co. are not the only ones that make standard desks or filing cases, are they?

Mr. WEED. Oh, no.

Mr. ALEXANDER. Bernard & Co., of St. Louis, make as good an article as any company in the United States, do they not?

Mr. WEED. I do not know that company.

Mr. ALEXANDER. There are many firms making just as good furniture as that which you purchase for departments, are there not?

Mr. WEED. I do not know. According to my way of thinking, this is the best.

Mr. ALEXANDER. Would it not have been wise and discreet in you to have prepared your specifications of what you wanted and then have invited these firms to furnish cuts or samples and prices, that you might have some basis of comparison as to quality and prices?

Mr. WEED. Of course as a general proposition, Mr. Alexander, I would say yes to that; but when it comes to furnishing rooms for the Postmaster General it is not a matter that you can bandy all around town.

Mr. ALEXANDER. You do not have to bandy it all around. There are a number of firms in this country that make furniture good enough for anybody, for the Postmaster General as well as anybody else.

Mr. WEED. Then, it would be necessary for me to be a furniture designer and draper and artist, to draw up elaborate schemes of just what I had in mind. How can you do all those things?

Mr. ALEXANDER. Who drew this scheme for you?

Mr. WEED. This particular firm—call it the Globe-Wernicke Co., since we are speaking of it.

Mr. ALEXANDER. You told all this to the Globe-Wernicke Co., and they were interested, and they believed it to be a profitable contract. Now, why did you not invite some other leading reputable firms to

present schemes and prices, that you might make some basis of comparison and might determine which was the better price? Would you not have done that if you were making these purchases for yourself, as a prudent man?

Mr. WEED. I do not know that I would in an order of this kind; no, sir.

Mr. ALEXANDER. It is true this is Government money you are expending, but when a man is acting in a fiduciary capacity, should he not act with as much care and discretion as he would in expending his own money?

Mr. WEED. I certainly would, and I would like to state that I considered it with great care.

Mr. ALEXANDER. I am not saying you did not.

Mr. WEED. I understand, Mr. Alexander.

Mr. ALEXANDER. I do not wish you to understand that you have made too expensive purchases, having in view the furnishings of other departments.

Mr. WEED. No; I do not so understand.

Mr. ALEXANDER. I am talking about general business methods. I understand you approve of this method.

Mr. WEED. With respect to Cabinet officers, yes, sir.

Mr. ALEXANDER. I wholly disapprove of it, because I do not think it is good business administration.

Mr. WEED. Yes.

Mr. ALEXANDER. And because I think it subjects a man to criticism for favoritism, and he can easily avoid that by the other method. Of course, if a man is spending his own money, it does not make any difference; but when you are spending trust funds, a man ought to throw around himself and the party for whom he is acting as trustee every possible safeguard.

Mr. WEED. Judge, may I make a brief reply in explanation of my position?

Mr. ALEXANDER. Certainly. I want to know simply if you have any suggestion to make for better administration.

Mr. WEED. I have not. I confess I have not. I am perfectly willing to go on record as of that opinion. Admitting, for the sake of argument, that in planning to equip the Postmaster General's offices I had submitted the matter to competition, then it would probably mean that I would have to submit each of the three or four items under discussion to competition, and the result would be that we would get a conglomerate mass; one man would have one idea about draperies, another about carpets, another about painting, another about furniture, and the result would be that there would be this incongruous array of stuff in the Postmaster General's office, which would be a disgrace to the Nation. We are a big, wealthy Nation, and you provide splendid departments in which to house us, and it seems to me that the purchasing officer ought to use some discretion in putting in an artistic effect in the Postmaster General's office. I simply say the Postmaster General's office; it would be the same if I were in the department of Commerce and Labor, or the Treasury, or any other department. Of course, there are a number of firms who could do that right as a concrete whole; but here is a firm—I speak of it as a firm; in reality it is a number of firms, each of which has been brought in very many times for very many years in the Department of Com-

merce and Labor, in the Treasury Department, in the Customs Court, and the Commerce Court, and I daresay at the Capitol, and the Bureau of American Republics, where they have equipped very handsome offices for the director, and theirs was a record of accomplishment, and it was natural, when we wanted to purchase something, that we should turn to them. It was not because we were not saving in the Post Office Department.

Mr. McCoy. Do you look upon Boston as being anything of an art center, Mr. Weed?

Mr. WEED. No; I can not say that I do.

Mr. McCoy. They have fairly good taste up in Boston, haven't they?

Mr. WEED. The Doten-Dunton firm is located there; but I do not know.

Mr. McCoy. Could you not have gone to Boston and have picked out a half dozen firms that could have furnished every one of these rooms, and have given the Government the benefit of their artistic taste on the whole outfit, and not put in this conglomerate mass of which you speak? Could you not have gone to New York and have gotten a dozen or two dozen firms, or perhaps three, whose exclusive business is doing that same sort of thing? And I have no doubt you could have gone to Chicago and Brooklyn and other places.

Mr. WEED. Possibly.

Mr. REDFIELD. In fitting up the new court room for the appellate division of the Supreme Court of the State of New York it was found perfectly simple to employ an artist who would prepare a design for the entire thing and submit that to parties for competition for the special design. Is there, in your judgment, any reason why a somewhat similar process should not be applied to this work of yours?

Mr. WEED. Well, I would have to see results, perhaps. I think, as a general proposition, we might admit that there is no reason, if you want to do it.

Mr. REDFIELD. Would it not be safer for you or your superiors to do it that way?

Mr. WEED. No; I do not think so.

Mr. ALEXANDER. Do you not think you are liable to the criticism that the Globe-Wernicke Co. has a pull over here, and that nobody else, in the slang phrase, has a "look-in," where purchases of this kind are concerned?

Mr. WEED. No; I do not think so. I have heard that spoken about so much in Washington——

Mr. ALEXANDER. It always will be talked about as long as your business methods are the same as they are now. When a man can go out arbitrarily and select a firm and make his purchases from that firm without competition, he will always be subject to that criticism.

These purchases, you say, were for the Postmaster General's office?

Mr. WEED. Yes.

Mr. ALEXANDER. I call your attention to the fact that the appropriation was made for the Post Office Department. These purchases might as well have been for any other office there as for the office of the Postmaster General; but you say they were made under your personal supervision?

Mr. WEED. Yes.

Mr. ALEXANDER. And the same business methods would apply to all the departments alike?

Mr. WEED. Only to presidential officers, Judge.

Mr. ALEXANDER. To the offices of presidential officers?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Whether the furnishing was to be done for the Postmaster General himself, the First Assistant, or the Second Assistant, or the Third Assistant, or the Fourth Assistant, you would have made the purchases under the exact methods you pursued in making these?

Mr. WEED. Of course; I have not come to that point. I do not know that I could say now. I think I would.

Mr. ALEXANDER. Would you have acted under the same authority?

Mr. WEED. I would have, through the same authority.

Mr. AUSTIN. Have you been doing what all the other Postmaster Generals and chief clerks have been doing for years?

Mr. WEED. I am quite sure that I have not done anything that has not been sanctioned.

Mr. AUSTIN. Congress can change it by appropriations they make, by putting in a specific provision that the furniture can not be purchased except by competition.

Mr. WEED. Of course Congress can make that provision.

Mr. MCCOY. I would like to make one statement.

Mr. TOWNER. I hope Mr. Weed will understand that this is not directed entirely against him.

Mr. WEED. Well, I hope not, Mr. Towner; but I realize that you gentlemen must get information, and I am trying to furnish that in my best way and in a most frank way. As I say, every book in my office and every order in my office is open for inspection at any time you gentlemen desire to see them.

Mr. TOWNER. I would like to ask this question——

Mr. WEED. I do not know that you would care to hear me mention some of the good things I have done, but certainly I have instituted many reforms that have saved thousands of dollars to the Government, not speaking of the millions saved in the postal service.

Mr. ALEXANDER. That will come up later.

Mr. WEED. No; that has nothing to do with this case.

Mr. ALEXANDER. That will tell its own story later, and it will then be more intelligible.

Mr. WEED. Exactly.

Mr. TOWNER. Is not the very fact that this matter has been brought to our notice, and that a demand has been made upon this committee for an investigation of this act of yours, an indication to you that the methods ought to be changed or improved in some way?

Mr. WEED. Mr. Towner, I think that, as far as general purchases are concerned, you can not be too strict, and you can not enforce too many limitations. That is provided for in a general supply committee by providing for so many articles under contract, which the executive departments are obliged to respect. But, as I say, a somewhat different principle has grown up and has been recognized and has been approved with respect to the Cabinet officers. Articles for rooms of the Cabinet officers are not on contract. I do not really think you gentlemen would ever want them on contract.

Mr. ALEXANDER. Yes, sir; I would.

Mr. TOWNER. We want your opinion about that. Let me ask you this question: While you believe that usually these restrictions ought to be made with regard to competitive bids and other guards of that kind, you think that in the exceptional character of this particular transaction, having reference to Cabinet officers, that there would be no other method by which so desirable results could be secured as that which was pursued by you in this instance?

Mr. WEED. I do, Mr. Towner.

The CHAIRMAN. Now, just one more question, Mr. Weed: Would you, if you desired to furnish your home, send out to some firm who was engaged in the furniture business and indicate to them what you wanted in the way of furnishings and furniture, and turn the matter over to them without investigation—because I do not know how you could investigate unless you had competition—would you simply tell them what you wanted and let them submit to you a list of the articles and prices, and give them the order for the same?

Mr. WEED. I should be inclined, assuming just for the sake of the moment that I were able to personally do my business in that way—I should certainly be inclined to do it, first carefully examining the price list and using my best judgment to determine whether or not it was fair or unfair.

The CHAIRMAN. As a matter of fact, are not you compelled to pay the prices submitted? In other words, let me inquire of you whether, in buying these articles, the firm reduced the prices from the prices first submitted to you, or did you accept the prices first offered?

Mr. WEED. Of course I would not want to give the impression that I am in the habit of “jewing” down dealers. I remember that these goods were accepted substantially at their prices. There were several articles, and I could give them to you if you desired them, where I thought the prices proposed looked unreasonable, and there was a discussion that lasted day in and day out. I remember Mr. Doten came down here from Boston and brought his figures of manufacture and his cost and everything of that sort, and we talked the matter over with our experts in the department, who made a study of furniture, and a compromise was effected; but substantially the prices paid were what they asked, and they were considered reasonable prices.

The CHAIRMAN. By you?

Mr. WEED. By me and by all of us who had anything to do with it.

The CHAIRMAN. Well, I understand you did the purchasing?

Mr. WEED. Yes, entirely. I mean by the different purchasing people in the department who were familiar with it.

Mr. McCoy. Did the Globe-Wernicke Co. know that they were bidding without competition?

Mr. WEED. I doubt very much that they did; I doubt it very much. I do not see how they could, because I am not in the habit of telling dealers any such fact as that. I do not mean that we could deliberately deceive them and say, “The other fellow may submit a lower bid;” but they could have no means of knowing in the early stages that they were not bidding subject to competition.

Mr. McCoy. Could they not have known it in this way: If you specified that you wanted this Boston furniture, made by the people of the unfortunate combination of names?

Mr. WEED. Yes; it is a difficult combination.

Mr. McCoy. Did you say that you wanted their furniture?

Mr. WEED. Not in that way; no. I asked their best prices on furniture of a certain design.

Mr. McCoy. Did you tell the Globe-Wernicke people that you wanted to buy that particular furniture?

Mr. WEED. Eventually I did, of course.

Mr. McCoy. Would they not almost necessarily have found out that there was no competition through the fact that they had not heard anything from this Boston concern about somebody else making inquiry for prices?

Mr. WEED. No; they could not know that. They would have no means of knowing how many other dealers I had requested prices from.

Mr. McCoy. I do not mean how many; but do you not think, in the ordinary course of human events, that if you had asked John Smith to compete on this Boston make of furniture——

Mr. WEED. Pardon me. I see what you mean. There could be no such condition as that, because these people were the exclusive agents of the Boston furniture, and I could not go to somebody else and say, "How much will you give me the Doten-Dunton furniture for?"

Mr. McCoy. Do you mean it as a fact that the Globe-Wernicke Co. are the exclusive agents here?

Mr. WEED. Absolutely.

Mr. McCoy. Then, they knew, as a matter of fact, there was no competition?

Mr. WEED. But they did not know whether I was going to some other concern and say, "How much can you furnish this for?" They had every reason to think I was. They were really in keenest competition when they were submitting their prices.

Mr. McCoy. But they understood that you had made up your mind in advance that you were going to take this Boston make of furniture, provided you could get it at a reasonable price?

Mr. WEED. Exactly, but I did not tell them so.

Mr. McCoy. Are you sure that could not have transpired?

Mr. WEED. No; it could not. That is one of the first principles a purchasing man learns. I might say, "I am thinking of doing this, and I want to get your lowest prices." I have no doubt that I did do it. I do not think I have put a deal through in my life where I did not exercise good judgment.

Mr. McCoy. But my point was, no matter how carefully you might handle a thing of that kind, it does get out, as I understand it, in the business world.

Just one thing more: I want to have it on the record that the desk to which I was referring when I asked Mr. Weed about the furniture in the reception room in the Postmaster General's office is on its flat top 3 feet 8 inches wide, as I think he expressed it, and 2 feet 6 inches deep. I state that so that the question will be intelligible, instead of having the record show "this" wide or "this" deep.

Mr. WEED. That was the desk in the Postmaster's office.

The CHAIRMAN. Do you wish to make any other statement, Mr. Weed?

Mr. WEED. Yes. I simply want to say that the Postmaster General was leaving for the West, as I told you at first, when I started

this matter, and he gave me general authority to go ahead; but I do not want it to be understood that on his return he did not look into the matter, because he is a most careful man. If any of you know him, you know that; and you might imagine that I had to give an accounting to him of my stewardship in that general direction. I just want to say, as an instance of his care in these matters, that while he went away last summer to look over the postal service in the West and North, as he did the summer before, involving a personal expenditure to himself amounting to as much, perhaps, as this room cost, there was not a voucher put into the department from him for one bit of that travel. You can all say, "What connection has that with this?" Merely to show the care he exercises.

The CHAIRMAN. How long was he absent on the trip?

Mr. WEED. I should say five weeks.

The CHAIRMAN. Do you think he was engaged exclusively in Government work?

Mr. WEED. Absolutely; absolutely.

Mr. ALEXANDER. Of course we do not want to go into that; but you put it into the record that he received nothing to compensate him for the traveling expenses or incidental expenses of that trip. Is that what you want understood?

Mr. WEED. Yes.

The CHAIRMAN. I think there is nothing else. You will return in the morning and bring the papers with you. Will you also speak to Mr. Holmes?

Mr. WEED. Yes.

The CHAIRMAN. I understand that he is to come, then?

Mr. WEED. Yes.

The CHAIRMAN. I wish you would call his attention to it, and both of you return at 10 o'clock to-morrow.

Mr. WEED. Yes; all right. Do you want to take up postal savings to-morrow?

The CHAIRMAN. No; I do not think we will take that up yet; but we will conclude your examination, then examine Mr. Holmes, and let postal savings go over until Saturday.

(Whereupon, at 4.40 o'clock p. m., the committee adjourned until to-morrow, Friday, May 26, 1911, at 10 o'clock a. m.)

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Friday, May 26, 1910.

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.

**TESTIMONY OF MR. JOHN A. HOLMES, PURCHASING AGENT FOR
THE POST OFFICE DEPARTMENT.**

The witness was duly sworn by the chairman.

The CHAIRMAN. Mr. Holmes, will you give the stenographer your name and address?

Mr. HOLMES. John A. Holmes, 803 Taylor Street NW., Washington, D. C.

The CHAIRMAN. Mr. Holmes, what position, if any, do you hold in the Government service at this time?

Mr. HOLMES. Purchasing agent for the Post Office Department.

The CHAIRMAN. How long have you held that position?

Mr. HOLMES. Since January 13, 1909.

The CHAIRMAN. And previous to your appointment to the position which you now hold, what position, if any, did you hold in the Post Office Department?

Mr. HOLMES. Shall I name all of them?

The CHAIRMAN. Yes, you may.

Mr. HOLMES. Previous to that I was private secretary to Postmaster General Meyer from the time he came in until just before he left, when I was appointed purchasing agent. Previous to that I was assistant superintendent of salaries and allowances, a traveling position on special work connected with efficiency, particularly of postal employees. Before that I was clerk in charge of the clerk-hire section of the Salaries and Allowances Division, which has to do with the civil-service promotions and appointments. Before that I was stenographer and clerk in the Salaries and Allowances Division. I entered the Post Office Department in 1899, by draft. I was at that time private secretary to the postmaster at Washington, and was drafted because they wanted me, but was not formally transferred. I was put on the departmental rolls in 1910. I have been in the service 17 years this December.

The CHAIRMAN. Have you had any business experience outside of your official duties?

Mr. HOLMES. Previous to that I was in the newspaper business, with the Associated Press and the United Press.

The CHAIRMAN. Mr. Holmes, what are your duties as purchasing agent?

Mr. HOLMES. If you will allow me, I will read the law.

The CHAIRMAN. You may.

Mr. HOLMES. It says:

And who shall, under such regulations, not inconsistent with existing law, as the Postmaster General shall prescribe, and subject to his direction and control, have supervision of the purchase of all supplies for the postal service.

Mr. ALEXANDER. Can you give the section in the law?

Mr. HOLMES. That is section 3, act of April 29, 1904. The next paragraph says:

The purchasing agent, in making purchases for supplies necessary for the Post Office Department, shall advertise, as now provided by law, and award contracts for such supplies to the lowest responsible bidder, in pursuance of existing law.

Mr. ALEXANDER. Where do you find that last section? I want to turn to it in the postal laws and regulations.

Mr. HOLMES. That is an amendment to section 20½, Postal Laws and Regulations of 1902. It is the Postmaster General's Order, No. 1419, of June 18, 1908.

Mr. ALEXANDER. Can you find that in the rules and regulations and mark it in some way?

Mr. TOWNER. It does not seem to be in here, Judge.

The CHAIRMAN. Mr. Holmes, you have some knowledge, have you, of the recent refurnishing of the Postmaster General's office?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. What, if anything, did you have to do with the purchase of the furniture and fixtures?

Mr. HOLMES. All orders drawn on the seller were made through my office and signed by me.

The CHAIRMAN. Did you have anything to do with the purchase of articles in question?

Mr. HOLMES. Well, they could not have been purchased except through me.

The CHAIRMAN. But you might O. K. the order and yet have nothing to do with their purchase?

Mr. HOLMES. The seller could not get his money unless the order was signed by me, which was done.

The CHAIRMAN. Well, I will ask you, did you have anything to do with the selection of the same or the letting of the contract?

Mr. HOLMES. Under the regulations the purchasing agent has nothing whatever to do with originating a requisition as to the kind of supplies to be furnished. That answers the first part. Therefore I had nothing to do with starting it or stating what kind of furniture was to be furnished; and, as a matter of fact, I do not believe I have any authority in that direction.

The CHAIRMAN. Then you did not have anything to do with the selection?

Mr. HOLMES. Not with the selection, no.

The CHAIRMAN. You simply O. K'd the order and saw that it was paid?

Mr. HOLMES. No; I do not see that it is paid. The payments do not go through me. I simply gave the order, seeing nothing wrong with it.

The CHAIRMAN. Then I understand that you approved the order?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. And the selections were made by others than yourself?

Mr. HOLMES. If you will allow me to explain, when an article is desired not under contract, the bureaus and chief clerk's office make what is known as an exigency requisition on a blue sheet, and that requisition calls on me to ascertain the price for which the article can be obtained; and where the article can be obtained from one dealer only, it is usually put in the requisition, and in some cases I got requisitions of that kind, and then following the requisition I ascertained the price and reported it to the chief clerk's office, and then the order was drawn in accordance with the regulation.

The CHAIRMAN. Then you ascertained the cost of these articles that were furnished the Postmaster General for his office, did you?

Mr. HOLMES. Not all of them. I say, where that was done. In other cases it was ascertained through the chief clerk's office, and the prices were furnished to me which were O. K'd by me.

The CHAIRMAN. Well, Mr. Holmes, do you think it was your duty, as the purchasing agent, to ascertain the prices, or was it proper for Mr. Weed, the chief clerk?

Mr. HOLMES. Well, I do not see that it does any harm for the chief clerk to ascertain the price.

The CHAIRMAN. I am not familiar with the postal regulations, but you are.

Mr. HOLMES. What I mean to say is, it would be of assistance.

The CHAIRMAN. You were the purchasing agent?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. And, naturally, one not having more knowledge of your regulations than I have would infer that you would be the one to purchase the supplies and furniture for the Post Office Department.

Mr. HOLMES. The auditor would not pay the account unless I did actually purchase it. Naturally an officer, in making a requisition for a certain thing that is needed, would look that up and would know something about the price; and where he can ascertain the price, where that is possible, he informs me. Not always do I take that statement, but in this case, coming from the Postmaster General's office, and being for the Postmaster General, there was no reason why I should not have taken it.

The CHAIRMAN. You simply accepted his statement as to what he wanted and the prices to be paid without investigation?

Mr. HOLMES. Not in all cases.

The CHAIRMAN. But in this particular case?

Mr. HOLMES. I am not speaking about any particular case. I am talking about some cases.

The CHAIRMAN. But I am.

Mr. HOLMES. I say, I can not tell you the exact particulars.

Mr. ALEXANDER. We are talking about this particular thing under investigation, the purchase of furniture for the Postmaster General's private office.

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Whether or not that was done pursuant to law? That is what we are trying to find out. You ought to know; you are the purchasing agent.

Mr. HOLMES. Yes, sir; I believe it was done pursuant to law.

Mr. ALEXANDER. Well, I will call your attention to the law later. Have you got any law showing that Mr. Weed, as chief clerk for the Postmaster General, had a right to make these purchases?

Mr. HOLMES. Mr. Weed did not make the purchases.

Mr. ALEXANDER. He said yesterday that he did, absolutely.

Mr. HOLMES. Well, he may have thought he was making the purchases, but I do not believe he did.

Mr. ALEXANDER. All you did was to O. K. the account?

Mr. HOLMES. And sign the order on the contractor. I made the order.

Mr. ALEXANDER. Purely as a formal matter?

Mr. HOLMES. Well, that may be; I do not know.

The CHAIRMAN. You simply attached your signature to the order presented to you by Mr. Weed. He made the selections and presented the order to you for the articles wanted and the price to be paid, and you O. K'd and attached your name to it; is not that the size of it?

Mr. HOLMES. I won't say "attached my name."

The CHAIRMAN. Well, signed your name.

Mr. HOLMES. Where there is an order on contractors it is always drawn by the bureau ordering the supplies. I have nothing whatever to do, under the regulations, with drawing those orders. This order was drawn the same as any other order, on the Globe-Wernicke Co., calling for a certain article, with certain prices, and the order is made

for my signature, and approved by the chief clerk and the assistant superintendent of the building.

The CHAIRMAN. Well, Mr. Holmes, is it not your duty as purchasing agent, when a requisition is furnished you for supplies for furniture, that you examine the requisition as to the prices quoted for the articles and determine whether or not the prices are reasonable?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. Well, did you in this particular case, to wit, the furnishing of the furniture for the Postmaster General's office?

Mr. HOLMES. Will you kindly let me hear that statement again?

The CHAIRMAN. You can answer the question whether you did or did not.

Mr. HOLMES. Yes, sir; I examined it.

The CHAIRMAN. And approved it?

Mr. HOLMES. Yes, sir. Will you let me make a statement as to that? The regulation says—

to the purchasing agent for the Post Office Department is assigned, under the direction and control of the Postmaster General—

This is the Postmaster General's regulation, made by Mr. Meyer—the supervision of the purchase of all supplies; and all purchases of supplies of every nature and character, whether under contract or not, either for the Post Office Department proper or for any branch of the postal service, shall be made by the purchasing agent: *Provided, however,* That the bureau officer controlling an appropriation may authorize postmasters and other postal officials to purchase supplies chargeable to that appropriation, subject to the approval of the purchasing agent in each instance.

If the Postmaster General can make a regulation giving authority to the head of a bureau to make certain purchases, he can certainly authorize the chief clerk, who is charged by law with a certain appropriation; and I approved it as coming from the Postmaster General.

Mr. REDFIELD. Then your act was purely a clerical one?

Mr. HOLMES. No, sir; I exercised the discretion given me under the regulation.

Mr. REDFIELD. Did you interview the Globe-Wernicke Co. yourself as to this furniture?

Mr. HOLMES. No, sir.

Mr. REDFIELD. Were the designs submitted to you?

Mr. HOLMES. No, sir.

Mr. REDFIELD. Were the quotations made to you?

Mr. HOLMES. Yes, sir; in some instances.

Mr. REDFIELD. Directly?

Mr. HOLMES. Directly, as I remember it.

Mr. REDFIELD. When you say you purchased these articles, do you wish the committee to understand that you had a part in that purchase other than the signing of the order; and if so, what part?

Mr. HOLMES. Other than signing the order, when I received the requisition for certain supplies furnished by the Globe-Wernicke Co., I called on the Globe-Wernicke Co. in writing to give prices, on a regular circular proposal sheet. I have not refreshed my mind on this, but I believe that is so, and I can give you all the papers in the case; that is, as to the circular proposals.

Mr. REDFIELD. Did you feel it your duty to examine the prices on this requisition in detail to see whether they were reasonable or not?

Mr. HOLMES. Well, as a general thing, I do that.

Mr. REDFIELD. Pardon me; I think you may answer specifically. I am asking about this one requisition.

Mr. HOLMES. I am going to answer it, if you will allow me. The Postmaster General is my superior officer, and I have no right of appeal to anybody but him. Any fiscal officer in the Government can appeal to the comptroller, if he is in doubt about anything, but I have no one to appeal to but the Postmaster General. All contracts made by the Post Office Department have a provision stating that the purchasing agent shall give orders, under the direction of the Postmaster General, and subject to his authority, and any articles accepted that are not up to contract requirements, if the exigencies of the service require their use, shall be accepted by him at a price to be fixed by him. Now, I have no discretion whatever in this matter.

Mr. REDFIELD. Then the committee understands that you felt you had no discretion in this particular matter?

Mr. HOLMES. Yes; I have stated that.

Mr. REDFIELD. Then as the business was done in this particular instance, you wish the committee to understand that you are not individually responsible for the selection of the goods or for their price or for their being bought without competition?

Mr. HOLMES. Certainly not.

Mr. REDFIELD. Now, you of course knew that these were public moneys that were being spent?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. And that your attitude as a purchasing officer was a fiduciary one?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. Are you under bond?

Mr. HOLMES. Yes, sir; a \$10,000 bond.

Mr. REDFIELD. And in what event is that bond payable?

Mr. HOLMES. I do not know. The law does not state.

Mr. REDFIELD. Did you conceive it was your duty, in the event of there being an erratic chief clerk, let us assume, that you should hold up, as purchasing agent, an order upon you which you thought unreasonable or wrong, and refuse to O. K. any such order? You conceive that to be within your authority?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. Then you did exercise some discretion in this matter, in so far as you believed it to be proper?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. Then you do accept a share of the responsibility?

Mr. HOLMES. Well, to that extent, yes. I do not catch the point of your question, though.

Mr. REDFIELD. I am trying to get at, for the benefit of the committee, whether you are exercising a certain authoritative power as purchasing agent or whether you are merely acting as a clerk and doing as you are told?

Mr. HOLMES. Well, as I stated, this was a matter for the Postmaster General. The Postmaster General is my superior officer. You asked me if I thought, in the event of our having an erratic chief clerk, I would have reported it or held it up—I do not know just the term you used—and I said, “Yes, of course.”

Mr. REDFIELD. Then you did not protest or hold this matter up or take other than formal action upon it, because you believed it was a proper method of procedure and a proper price?

Mr. HOLMES. I did not say that.

Mr. REDFIELD. Well, I asked you that.

Mr. HOLMES. No, sir; I did not say that. I said I had no authority in the matter; that the Postmaster General is my superior officer.

Mr. REDFIELD. And that his authority, as represented by the chief clerk, was final in the matter?

Mr. HOLMES. As this was for the Postmaster General, yes.

Mr. REDFIELD. I am speaking of this particular case exclusively. You were simply, then, a clerk so far as this case was concerned?

Mr. HOLMES. I could not admit that, no; not in the sense you mean, because I would have taken no instructions whatever from the chief clerk as to the postal service.

Mr. SLEMP. Did you make any investigation or comparison in any way of the prices that the Globe-Wernicke people submitted to you?

Mr. HOLMES. No; there was nothing to make any comparisons with.

Mr. SLEMP. They are the only firm that furnishes the particular goods you wanted?

Mr. HOLMES. Yes, sir; the sole agents.

The CHAIRMAN. Then, Mr. Holmes, if a requisition should emanate from the Postmaster General's office for an article worth \$5 in the market and the price quoted was \$25, you would feel it incumbent upon you to approve the order regardless of the price or value if approved by the Postmaster General?

Mr. HOLMES. It would depend absolutely on the case.

The CHAIRMAN. Well, state a concrete case. We have reference to the purchase of these articles, this furniture for the Postmaster General. I understand from your statement that he was your superior officer, and he had the right to make the purchase, and you had no right to protest in any way, but simply to O. K. and approve the order.

Mr. HOLMES. I did have authority to protest, if I had thought the purchases were extravagant as to price.

The CHAIRMAN. Then you thought the prices were reasonable?

Mr. HOLMES. I say it did not make any difference what I thought. The Postmaster General wanted this stuff, and I did not think they were wrong, and I couldn't tell whether they were reasonable or not.

Mr. SLEMP. Who passes on the necessity for the furniture in the Postmaster General's office?

Mr. HOLMES. The chief clerk and the Postmaster General.

Mr. SLEMP. So when they notified you they wanted a particular article down there, what steps do you then take to get that article for them?

Mr. HOLMES. I endeavor to secure competition. I do secure competition in every case when an article of a special brand is not specified.

Mr. SLEMP. Now, then, where a special brand is specified, then what do you do?

Mr. HOLMES. Then I call on the agent or owner.

Mr. SLEMP. The agent or owner who furnishes that particular line of goods?

Mr. HOLMES. Yes, sir; to get a price.

Mr. SLEMP. What method have you of determining whether the price offered you is the lowest price you can get?

Mr. HOLMES. You can not. There is no way of finding that out.

Mr. SLEMP. So if the Postmaster General wants an article manufactured by only one particular concern, you have to simply write to that concern and get their prices; and if you think it is unreasonable, what would you do then? Would you call it to the attention of the Postmaster General?

Mr. HOLMES. Certainly.

Mr. SLEMP. And if he then decides that he still wants it, of course, it would be out of your power, would it?

Mr. HOLMES. Yes, sir; it certainly would.

Mr. SLEMP. As a matter of fact, in this purchase of furniture, that method was not adopted? You did not have any occasion to call the attention of the Postmaster General to that?

Mr. HOLMES. No, sir.

Mr. McCoy. Then it was a fact, was it not, that you considered that these prices were reasonable for the goods that were to be bought?

Mr. HOLMES. Well, as far as I knew. I had no means of making a comparison and I had nothing to do with originating it. The agent of the maker was called on to furnish prices, and if that particular article was wanted there was nothing else I could do.

Mr. McCoy. Let us suppose a case——

Mr. HOLMES. Pardon me. Under the regulations, when we get a bid it is sent to the officer who makes the requisition to ascertain whether or not that price is satisfactory to him. I have absolutely no discretion as to that.

Mr. ALEXANDER. You are an appointee of the President, are you not?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. And confirmed by the Senate?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. And you give bond for the faithful discharge of the duties of your office?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. You are not an employee or appointee of the Postmaster General, and you are not under his supervision?

Mr. HOLMES. No, sir.

Mr. ALEXANDER. You are under the supervision of the law?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Now, is not this the law governing you as purchasing agent, section 3709 of the Revised Statutes:

All purchases and contracts for supplies or services, in any of the departments of the Government, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require the immediate delivery of the articles or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals.

Now, that section was amended January 27, 1894, which you will find in the supplement to the Revised Statutes of the United States, volume 2, page 169:

Be it enacted, That section thirty-seven hundred and nine of the Revised Statutes is amended by adding thereto the following: And the advertisement for such proposals shall be made by all the executive departments, including the Department of Labor, the United States Fish Commission, the Interstate Commerce Commission, the Smithsonian Institution, the Government Printing Office, the government of the District of Columbia, and the Superintendent of the State, War, and Navy Building, except for paper and materials for use of the Government Printing Office and the material used in the work of the Bureau of Engraving and Printing, which shall continue to be advertised for and purchased as now provided by law, on the same days and shall each designate two o'clock, post meridian, of such days for the opening of all such proposals in each department and other Government establishments in the city of Washington.

Now, pursuant to that, take the postal regulation, Order No. 1496, June 18, 1908, insert No. 65. The second clause provides:

The purchasing agent, in making purchases for supplies necessary for the Post Office Department, shall advertise, as now provided by law, and award contracts for such supplies to the lowest responsible bidder in pursuance of existing law. The purchasing agent shall have recorded in a book to be kept for that purpose a true and faithful abstract of all bids made for furnishing supplies to the Post Office Department, giving the name of the party bidding, the terms of the offer, the sum to be paid, and he shall keep on file and preserve all such bids until the end of the contract term to which they relate. Each bidder shall have the right to be present, either in person or by attorney, when the bids are opened, and shall have the right to examine and inspect all bids. All purchases, advertisements, and contracts for supplies for the Post Office Department shall be made by the purchasing agent in the name of the Postmaster General subject to his approval, and in purchasing such supplies preference shall be given to articles of domestic production and manufacture, conditions of price and quality being equal. There shall be separate proposals and separate contracts for each class of material furnished. These records shall be open at all times for the inspection of Congress and for the inspection of those who may be interested in such contracts made, or to be made, to furnish supplies to the Post Office Department.

Now, that is section 3 of the act of April 29, 1904. That was the law?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Now, that was not complied with in this purchase, was it?

Mr. HOLMES. That relates to articles——

Mr. ALEXANDER. I will prove to you that it does include these very articles here.

Mr. HOLMES. No, that does not.

Mr. ALEXANDER. Well, I will prove that it does. Now, section 2:

(2) *Supervision of purchases.*—To the purchasing agent for the Post-Office Department is assigned, under the direction and control of the Postmaster General, the supervision of the purchase of all supplies; and all purchases of supplies of every nature and character, whether under contract or not, either for the Post-Office Department proper or for any branch of the postal service, shall be made by the purchasing agent: *Provided, however*, That the bureau officer controlling an appropriation may authorize postmasters and other postal officials to purchase supplies chargeable to that appropriation, subject to the approval of the purchasing agent in each instance.

Mr. HOLMES. But that relates only to articles for which there can be competition and articles needed in an emergency.

Mr. ALEXANDER. Which?

Mr. HOLMES. That law.

Mr. ALEXANDER. Don't you think that the purchase of furniture is subject to competition?

Mr. HOLMES. I am not speaking about the furniture. I will give you the comptroller's ruling as to furniture.

Mr. ALEXANDER. Just wait a moment.

Specifications for supplies shall be prepared under the direction of the head of the bureau for which the supplies are to be purchased.

Now, Mr. Weed says he furnished the specifications in this case for this furniture.

Mr. HOLMES. That is right; yes, sir.

Mr. ALEXANDER. "The purchasing agent shall review such specifications carefully." Did you do that?

Mr. HOLMES. Specifications were not made in all instances through me. I explained that in the beginning. In some instances I did not get the specifications. I reviewed them in all cases where I got them.

Mr. ALEXANDER. But you did not get them in this case?

Mr. HOLMES. Yes, sir; I explained that.

Mr. ALEXANDER. I assumed you did not from what Mr. Weed said yesterday.

Mr. HOLMES. Yes, sir; I tried to explain that I did not.

Mr. ALEXANDER. Now, I want to find out whether the law was followed by Mr. Weed in making these purchases.

Mr. HOLMES. I understand.

Mr. ALEXANDER. Whether you were ignored or not.

And if he finds them unsatisfactory he shall state his objections in writing to the said officer. If, after further consideration, the officer and the purchasing agent still disagree, he shall submit a written statement of his position to the Postmaster General.

Well, there was not any disagreement, because there was not anything submitted to you for your consent, as I understand it.

Mr. HOLMES. That is right.

Mr. ALEXANDER. Now, I will read sections 4, 5, and 6:

(4) *Advertisement for proposals.*—The purchasing agent shall prepare and issue all advertisements for proposals to furnish supplies and all forms for use in making such proposals. All such proposals shall be opened and examined by a committee appointed by the Postmaster General, which committee shall make a report suggesting such awards as in their judgment are desirable and proper. Such report shall be submitted for review to the purchasing agent and the bureau officer, who shall forward it with their recommendations to the Postmaster General for action.

(5) *Purchase of contract items.*—Orders for contract items shall be drawn in five copies by the superintendent or chief of the division for which the supplies are required, and approved by the head of the bureau. The original order, the duplicate and the quintuplicate copies shall be sent to the purchasing agent and one copy to the proper receiving clerk. One copy shall be held in the open-order book. The original order will be signed by the purchasing agent and mailed to the contractor—the duplicate retained by him and filed as a record of the transaction, and the fifth copy, after being certified by the purchasing agent, shall be returned to the bureau officer for submission to the auditor with the bill.

(6) *Open-market purchases.*—When an article not under contract is required, a purchase requisition calling for the cost of the article desired shall be drawn by the head of the bureau and forwarded (with sample, if possible) to the purchasing agent, who shall prepare specifications, which shall be sent to three or more responsible dealers, when practicable, at least three days prior to the date fixed for opening the bids, accompanied by samples or a statement as to where they may be seen. On receipt by the purchasing agent of the bids and samples from the bidders he shall submit them to the board of inspection, who shall examine them, mark the accepted sample, recommend an award, and return to the purchasing agent for his action. The approved bid and sample shall then be forwarded to the office where the requisition originated. The order shall there be drawn in the manner described in paragraph 5. Inspection certificates for open-market purchases shall state the specifications under which the bid was awarded.

Then, following that, is section 7, relating to invoices; section 8, receipt and inspection of supplies; 9, checking invoice; 10, accounts; 11, purchasing agent's record; 12, correspondence; 13, appropriations for contingent expenses. Now, none of those provisions was complied with in this purchase?

Mr. HOLMES. No, sir,

Mr. ALEXANDER. Do you say that the refurnishing of the Postmaster General's office was an emergency, within the meaning of this statute? Would you construe it to be that?

Mr. HOLMES. Well, it would not be up to me, as I conceive it, to decide as to an emergency. My personal opinion is it was not an emergency.

Mr. ALEXANDER. The statute, you see, says they shall all be made pursuant to bid and competition except emergency purchases.

Mr. HOLMES. If you will allow me, I think you are wrong there.

Mr. TOWNER. Yes; I think so, Judge.

Mr. HOLMES. It is not an emergency when you have a patented article. For instance, we are buying now setting-up tables for the post office—a piece of furniture that saves a great deal of labor. You can do with one clerk the work formerly done by three. There would be no emergency in that case.

Mr. TOWNER. The language of section 3709 requires that purchases and contracts for supplies or services shall be made by advertising, and so forth, when the public exigencies do not require the immediate delivery of the articles or the performance of the service. That is one of the exceptions that is made in the statute, Mr. Holmes. Was that invoked on this occasion?

Mr. HOLMES. Yes, sir.

Mr. TOWNER. It was considered as an exigency case?

Mr. HOLMES. No; an exception was taken to the language. I mean it was bought under an exception from the statute. It was not bought in accordance with that provision.

Mr. TOWNER. The provisions of the statute then require that the article or service may be procured by open purchase or contract at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals. Now, you understood these purchases were in compliance with the requirements of the statute; that is, they were purchased as ordinarily such articles are purchased?

Mr. HOLMES. As it has been customary to purchase such articles.

Mr. ALEXANDER. Now, let me call your attention at this juncture to this provision of the law, in section 2, of the Order No. 1496 of June 18, 1908:

To the purchasing agent of the Post Office Department is assigned, under the direction and control of the Postmaster General, the supervision of the purchase of all supplies; and all purchases of supplies of every nature and character, whether under contract or not, either for the Post Office Department proper or for any branch of the postal service, shall be made by the purchasing agent.

Mr. HOLMES. Yes, sir. If you will just allow me, that law is now obsolete so far as the purchasing agent is concerned.

Mr. ALEXANDER. It would seem to be.

Mr. HOLMES. The legislative bill of 1910 gives general authority to the general supply committee, and just last year the Assistant Secretary of the Treasury asked an opinion of the Solicitor for the Treasury

as to whether or not my office was not abolished by that legislation, and he said not; but most of my duties have been taken away by the general supply committee and the Secretary of the Treasury under the law of 1910.

Mr. ALEXANDER. Are those duties invested in the chief clerk of the Postmaster General?

Mr. HOLMES. No, sir; I just wanted to get right on that. I might say that I do not submit that for the sake of shifting any responsibility, but I am myself in doubt as to my status under that law.

Mr. SLEMP. Were these articles that were purchased for the Postmaster General purchased prior to the enactment of that law or subsequent?

Mr. HOLMES. The law would not have anything to do with that part of it. No one seems to know just what the law means. Of course, I do not agree with the opinions that have been written as to it.

Mr. McCoy. Mr. Holmes, I have before me section 3709 of the Revised Statutes in regard to public contracts, which says:

All purchases and contracts for supplies.

Under your interpretation of the law, were the articles about which we are talking and which were bought for the office of the Postmaster General, supplies?

Mr. HOLMES. Yes, sir.

Mr. McCoy. Then it is stated that such supplies shall be bought by advertising when the public exigencies do not require the immediate delivery of the article. Did you consider in this particular purchase that there was any public exigency which did require the immediate delivery of the article?

Mr. HOLMES. No; I did not.

Mr. McCoy. Then you were not acting under that section of the law?

Mr. HOLMES. Not under that section; no, sir.

Mr. McCoy. Now, will you state definitely under what section of any law or postal regulation you consider that you were acting, in so far as you did anything in connection with this matter?

Mr. HOLMES. The accuracy and correctness of all purchases is finally determined by the Comptroller of the Treasury. The Comptroller of the Treasury has to approve and does approve all of our forms, bills of lading, and things of that sort, and for the convenience of purchasing officers and as a warning he has issued this regulation:

1. Under formal contract made after advertising in newspapers.
2. Under contract made after advertising by circular letters sent to dealers, and by notices posted in public places.
3. Upon noncompetitive quotation without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Upon noncompetitive quotation without advertising, it being impracticable to secure competition because—
 - (a) Under a formal contract for construction there arises a necessity for additional work practicable of performance only by the contractor.
 - (b) The articles wanted are patented or copyrighted and not on sale by dealers, but by the owners of the patent or copyright or their agents or assigns alone, at a fixed and uniform price.
 - (c) There is only one dealer within a practicable distance from whom the articles can be obtained.

(d) Prices or rates are fixed by legislation, either Federal, State, or municipal, or by competent regulation.

(e) Previous advertising for the identical purchase has been followed by the receipt of no proposals or only of such as were unreasonable, and under circumstances indicating that further advertising would not alter results.

Now, (b) and (c), patent right or copyright, one dealer within a practicable distance, does not mean an exigency, as I conceive it. Now, the requisitions made on me for Globe-Wernicke Co. stuff, there was only one dealer within a reasonable distance, and I do not believe I had any discretion.

Mr. McCoy. Then you consider that you were acting under section 4 of the regulations put forth by the comptroller?

Mr. HOLMES. That is the only regulation under which it could have been purchased, if it was not an exigency.

Mr. McCoy. You did act under that? You assumed you were acting under that and in compliance with it, I mean.

Mr. HOLMES. Yes, sir; as far as I had any discretion in the matter.

Mr. McCoy. It was not under subsection (a) of section 4; that is, there was no formal contract for construction under which there arose a necessity for additional work?

Mr. HOLMES. No.

Mr. McCoy. The articles wanted in this instance were not patented or copyrighted, were they?

Mr. HOLMES. I do not know. I do not think they were copyrighted. The name may have been copyrighted.

Mr. McCoy. Were any of the articles purchased for the furnishing of the Postmaster General's office at this time, about which we are talking, patented or copyrighted?

Mr. HOLMES. I do not know.

Mr. McCoy. Did you know at the time the purchase was made that any of them was patented or copyrighted?

Mr. HOLMES. No.

Mr. McCoy. Do you mean by that you had no knowledge?

Mr. HOLMES. Yes, sir.

Mr. McCoy. Did you make any investigation to ascertain whether any one of these articles was patented or copyrighted?

Mr. HOLMES. I did not; but I knew there was only one dealer in a practicable distance—the next section.

Mr. McCoy. I am coming to that. You claim that under section 4, subsection 3, of these regulations of the comptroller there was only one dealer within a practicable distance from whom the articles purchased could be obtained?

Mr. HOLMES. Yes, sir.

Mr. McCoy. For instance, which article could not have been obtained from a dealer within a reasonable distance or a practicable distance except the Globe-Wernicke Co.

Mr. HOLMES. Well, that is what we are talking about.

Mr. McCoy. You were not acting under that, then? Did you consider that the Globe-Wernicke Co. was the only dealer within a practicable distance who could furnish these articles?

Mr. HOLMES. With one exception; yes, sir.

Mr. McCoy. And what was that exception?

Mr. HOLMES. One possible exception.

Mr. McCoy. What was that?

Mr. HOLMES. The parquet flooring.

Mr. McCoy. Did you know that the desks came from Boston?

Mr. HOLMES. No.

Mr. McCoy. Were you not informed whose desks were specified?

Mr. HOLMES. Yes, sir.

Mr. McCoy. Whose desks were specified?

Mr. HOLMES. Globe-Wernicke and Doten & Dunton.

Mr. McCoy. Did you not know that Doten & Dunton were Boston people?

Mr. HOLMES. No, I did not know it.

Mr. McCoy. Well, was it not your duty, if you were acting under this subsection 3, to ascertain where the materials were coming from, in order that you might determine what was a practicable distance?

Mr. HOLMES. I did not have any dealings with the Doten & Dunton people, but with the agent of the Globe-Wernicke Co. in Washington. The Globe-Wernicke Co. is the agency.

Mr. McCoy. Did you know they were to obtain these things from Boston?

Mr. HOLMES. Yes, in some cases.

Mr. McCoy. Well, do you consider that Boston is within a more practicable distance than, for instance, Baltimore or New York or Philadelphia?

Mr. HOLMES. It is not as practicable when they have an agency in Washington.

Mr. McCoy. Then it is a mere question whether the man with whom you are having a conversation is within easier reach than the man to whom you might write and to whom it would take 24 hours to reach by mail—or, I will withdraw that question. What is your definition of the word "practicable" with reference to this section 4, subsection 3, the words "practicable distance"?

Mr. HOLMES. Well, I do not know that I can define it in a manner that would be satisfactory.

Mr. McCoy. Well, define it with reference to the specific matter which we are talking about now. State how you determine with reference to each of the articles that was to be purchased whether or not the most practicable distance within which they could be bought was right here in Washington of the Globe-Wernicke Co.

Mr. HOLMES. That is the easiest of access and the most practicable.

Mr. McCoy. Then if there was a dealer in Washington and one in Boston and one in Philadelphia and one in Baltimore, all of whom dealt in these articles, you would consider you would confine it to Washington as the agent of one of them chanced to be in Washington?

Mr. HOLMES. As a matter of fact, whether I considered it or not, it would be so, because the dealer who had the Washington territory would make the bid and the other dealers would not be permitted to make a bid. They would not compete against each other.

Mr. SLEMP. Would you get the same prices from Baltimore, New York, Philadelphia, Boston, and Washington?

Mr. HOLMES. I do not know; but in this case, however, the requisition stated the Globe-Wernicke Co., Washington, D. C., were the sole agents.

Mr. McCoy. Now, let us take the hangings. There were hangings purchased for the windows—draperies?

Mr. HOLMES. Yes, sir.

Mr. McCoy. Is the Globe-Wernicke Co. a dealer in hangings?

Mr. HOLMES. Did that come through my office?

Mr. WEED. I suppose it did.

Mr. HOLMES. I have not looked up a thing in reference to these matters.

Mr. MCCOY. And you do not remember?

Mr. HOLMES. No, I do not.

Mr. MCCOY. Do you not remember that for furnishing the Postmaster General's office draperies were purchased through the Globe-Wernicke Co.?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Did you ever see any of this furniture?

Mr. HOLMES. Some of it.

Mr. ALEXANDER. Have you been in the Postmaster General's office since it was furnished?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Are those the articles that you say could only be purchased through one party, under that rule, and he was the local agent of the Globe-Wernicke people?

Mr. HOLMES. No; I do not say that was so because I do not know.

Mr. ALEXANDER. Well, how do you bring it within that rule?

Mr. HOLMES. I said with one exception, and I think it was the parquetry flooring. I gave you all I recollect as to the draperies. I have not seen that.

Mr. MCCOY. Then the purchase of the draperies did not pass through your office or your hands as purchasing agent?

Mr. HOLMES. Well, it may have, the same as the other. I do not remember.

Mr. MCCOY. How could you ascertain the fact?

Mr. HOLMES. I have all the papers on file, the requisitions and the orders and the prices and the inspection reports.

Mr. MCCOY. Of course if he does not know we can not ask him whether he had that matter in charge.

Mr. HOLMES. I can ascertain by calling up on the phone.

Mr. MCCOY. Referring to subsection (d), which specifies the exception where prices or rates are fixed by legislation, and so forth, of course you were not acting under that one?

Mr. HOLMES. No, sir.

Mr. MCCOY. And subsection (e) refers to cases where previous advertising for the identical purchases have been followed by the receipt of no proposals or unreasonable proposals, or indicating that further advertising would not alter results. You were not acting under that?

Mr. HOLMES. No.

Mr. MCCOY. So you were acting simply under section 4, subsection (c), the one which relateth to a case where there is only one dealer within a practicable distance?

Mr. HOLMES. Or the other one, I do not remember which. The papers in the case will show which method it was purchased under.

Mr. MCCOY. The papers will show under which method it was purchased?

Mr. HOLMES. Yes, sir. I mean the papers for each individual order. I really can not tell, because I handle so many things, some days 300 orders. We spend about \$4,000,000 a year.

Mr. McCoy. And none of the articles of the character of those that were purchased have been bought under any other section than this regulation, except taxed articles or copyrighted articles?

Mr. HOLMES. I do not know of any other method.

Mr. McCoy. Then you consider, Mr. Holmes, that you were confined to dealing in this matter to the Globe-Wernicke Co., because they were named as the people who were to do the furnishing?

Mr. HOLMES. Yes, sir.

Mr. McCoy. And not because they were the only people who could furnish articles similar to those desired?

Mr. HOLMES. It was stated to me on the requisition that the Globe-Wernicke Co., of Washington, were the sole agents.

Mr. McCoy. For everything that was bought?

Mr. HOLMES. I did not get a requisition for everything, and in the other cases I got the prices from the chief clerk's office.

Mr. McCoy. You mean that the requisition that was handed to you did not cover all the articles?

Mr. HOLMES. Yes, sir; I stated that. In some cases I had requisitions, and in others I did not.

Mr. McCoy. Well, in cases where you had no requisition, how did you know what to get?

Mr. HOLMES. Some of the articles were ordered in advance of the formal order.

Mr. McCoy. By you?

Mr. HOLMES. Not by me; no.

Mr. McCoy. Then some of these articles were bought without the matter having gone through your hands in anyway?

Mr. HOLMES. I won't say they were bought. It was ordered, or specifications were furnished or started, or whatever it was. I do not know whether the furniture was made to order or not.

Mr. McCoy. Well, there was a desk that was made to order. Did that in anyway come to your attention?

Mr. HOLMES. I do not recall.

Mr. McCoy. Well, how can you ascertain the fact?

Mr. HOLMES. From the papers in the case.

Mr. McCoy. Then we had better have the papers here.

The CHAIRMAN. I think so. I believe Mr. Weed brought along the bills, showing the articles purchased and the prices paid, and I presume that the bills will show whether or not they passed through Mr. Holmes's hands.

Mr. McCoy. Do they show that, Mr. Weed?

Mr. REDFIELD. Mr. Chairman, I want to get one thing on the record in connection with the very matter we are inquiring about, when I am at liberty to do so.

Mr. WEED. At the proper time I should like to make a statement; but I do not want to interrupt Mr. Holmes's testimony.

Mr. McCoy. I simply asked whether Mr. Holmes could refresh his recollection from any papers which you have produced.

Mr. WEED. Possibly he could. You asked me to get an itemization of all the expenditures. My only thought was to present this morning such a statement, showing a complete itemization of all the expenditures in the Postmaster General's office. The bills are not fully made out, but possibly Dr. Holmes can tell from them.

Mr. McCoy. What are the papers, Mr. Weed, that you have just handed to Mr. Holmes?

Mr. WEED. It is merely meant to be an itemization, without regard to the paper on which it is typewritten, of the articles purchased, which I thought was what Mr. Ashbrook requested. For convenience sake it is put on a voucher such as was submitted by the contracting firms when the accounts were paid.

Mr. McCoy. Now, all the items of all the purchases for the Postmaster General's office are on those papers which you have just handed Mr. Holmes?

Mr. WEED. Yes; even antedating my going to the department.

Mr. McCoy. Now, Mr. Holmes, will you examine the papers which have been handed you by Mr. Weed, and see whether, on reading them, it is possible for you to refresh your recollection as to which of those purchases were brought to your attention?

Mr. HOLMES. They were all brought to my attention.

Mr. McCoy. I understood you to say a minute or two ago that if a matter were specially ordered it was not brought to your attention, and I specified one desk which is in the Postmaster General's office, and asked you whether the purchase of that desk was in any way brought to your attention.

Mr. HOLMES. I said I did not recall it particularly, whether the desk was made to order or not.

Mr. McCoy. Now I ask you whether, on examining those papers which you have there, you can state definitely with regard to all these purchases whether or not all, or if not all, what part of them, were brought to your attention before they were purchased?

Mr. HOLMES. These papers would not satisfy me. I will have to get my own papers.

Mr. McCoy. I appreciate that, and I think we had better have them up here, if we are going to pursue this line of inquiry.

Mr. REDFIELD. Referring to letter (c) under class 4: "Where there is only one dealer within a practicable distance from whom the articles can be obtained," I ask if you knew of the existence in Washington of an office of the Yawman & Erbe Manufacturing Co., at 614 Twelfth Street?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. You did know of that office. I will ask you if you knew of the existence in Washington of the Library Bureau of Filing Devices, Office Furniture & Supplies, at 1319 New York Avenue?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. And you knew that both of these concerns were concerns in good standing, competing with the Globe-Wernicke Co., did you not?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. You consulted neither of them?

Mr. HOLMES. No, sir.

Mr. REDFIELD. And you did not consult either of them because you were instructed, as you understood it, to buy the goods through the Globe-Wernicke Co.?

Mr. HOLMES. Yes, sir.

Mr. SLEMP. Have you taken any action to make a comparison between the prices for furniture and supplies, and so on, made by the

Globe-Wernicke Co. in comparison with the other concerns mentioned by Mr. Redfield?

Mr. HOLMES. No, sir; I have not.

Mr. MCCOY. Mr. Holmes, what is your experience in this regard: Where there are requisitions for a number of articles, all of which are not made by one concern, is it cheaper to go to a firm which does not make all of them and get bids on all of them, or is it cheaper to go to each of the concerns making each specific article and get separate bids in regard to the different classes of articles, and then combine them and get the aggregate in that way?

Mr. HOLMES. As a general thing, yes.

Mr. MCCOY. Which is the cheaper, to go to each concern which makes a definite article and get from it a bid?

Mr. HOLMES. I would like to say that this morning on my way down here I inquired about the method of purchasing typewriters at the Capitol. I wanted to see whether you had contracts, and I found that the same method obtains here, you obtain typewriters as the clerk wants them.

Mr. MCCOY. But you do not get my point. In this particular case the Globe-Wernicke Co. was the sole bidder for all the articles that were purchased for the Postmaster General's office, and those articles included desks and chairs and parquetry flooring and draperies and such things as that. Now, assuming that the Globe-Wernicke Co. was not the manufacturer of all those things, would it, in your opinion, have been better to go to them and get them to furnish things they made, and things which they did not make and had to buy; or would it have been better to go to each of the people who made the various articles and get separate bids on separate articles from each of the manufacturers?

Mr. HOLMES. I am absolutely in favor of advertising for every article that can be bought, that you can get competition on. That is my own opinion.

Mr. MCCOY. No; I am not taking up the question of competitive bids.

Mr. HOLMES. It would be the same thing, if you were to ask one man as to one thing and another as to another.

Mr. MCCOY. My question has not to do with the point that it might have been better to get the Library Bureau, for instance to bid for all these things as well as the Globe-Wernicke Co.; but I say the Globe-Wernicke Co. was not the manufacturer of all of these articles. It had to go and buy the articles and then sell them to the Post Office Department. Now, does your experience show that better results can be obtained from going to the manufactureres themselves of the articles rather than to go to the manufacturer of one of them and have him buy the articles? Now, what does your experience show—that going to each manufacturer separately produces better results?

Mr. HOLMES. Cheaper results.

Mr. MCCOY. Yes; better results as to price. That is your opinion, is it?

Mr. HOLMES. It may not be better as to other things, but as to price, yes.

Mr. MCCOY. You say it may not be better as to other things—you mean as to quality?

Mr. HOLMES. Not as to quality; but as I understand, the Postmaster General decided that because of the great number of callers, visitors he had, it was best for him to give up that big room to the public, which he has fitted out for the public, and it was necessary to have his room fixed up. He wanted the thing to be in harmony, as I understand it, and have it a room that would be in taste. Now, I think if you had half a dozen manufacturers bidding at a distance on certain things, there might have been some question as to the furnishing being not entirely what he wanted. But certainly it ought to be better as to price.

Mr. MCCOY. But as to artistic results you are in doubt?

Mr. HOLMES. Yes, sir; I am in doubt.

Mr. SLEMP. You would follow competitive bidding and advertising in all cases unless you were directed by the Postmaster General otherwise?

Mr. HOLMES. Yes, sir; where practicable.

Mr. REDFIELD. You notice the qualification?

Mr. SLEMP. Yes; I understand. In this particular case you received a requisition signed by the Postmaster General, and that requisition——

Mr. HOLMES. No; by the chief clerk.

Mr. SLEMP. And initialed by the Postmaster General?

Mr. HOLMES. Just signed by the chief clerk.

Mr. SLEMP. And that requisition called for furniture made by one particular company?

Mr. HOLMES. Yes, sir. It says here, "Globe-Wernicke Co., Washington, D. C., sole agents."

Mr. SLEMP. And you did not take the matter up with the chief clerk, suggesting competition?

Mr. HOLMES. There could not be competition on that furniture.

Mr. SLEMP. You simply honored the requisition as you received it?

Mr. HOLMES. Yes, sir. I had no discretion in the matter.

Mr. SLEMP. Regardless of whether you could get it cheaper or otherwise?

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Mr. Holmes, of course this committee is charged with the duty of making certain recommendations to Congress, as may result from this investigation in better administration of the Post Office Department. Now, I have read to you the sections of the law relating to your duties, which evidently were framed for the purpose of protecting the Government in making purchases.

Mr. HOLMES. Yes, sir.

Mr. ALEXANDER. Now, have you any suggestion to make, any amendment in the law or in the regulations of the Post Office Department, which will better safeguard the purchases made for the Government, or will give you more power to safeguard the Government in the matter of purchases than you now have, which you have gained from experience in the administration of your office?

Mr. HOLMES. I think it would be well if we could have a legal interpretation of the duties of the purchasing agent. That has never been obtained. The Attorney General recently ruled, as to the law of 1910, that the Secretary of the Treasury has authority to make certain purchases except in exigencies, and the Secretary of the

Treasury asked whether or not my office was not abolished by this law, and they said no.

Mr. ALEXANDER. What law do you refer to?

Mr. HOLMES. The legislative law of 1910.

Mr. ALEXANDER. I will ask you, Mr. Holmes, if this is the law to which you refer, found in the legislative, executive, and judicial act for the fiscal year ending June 30, 1911, section 4, page 10:

SEC. 4. That hereafter all supplies of fuel, ice, stationery, and other miscellaneous supplies for the executive departments and other Government establishments in Washington, when the public exigencies do not require the immediate delivery of the article, shall be advertised and contracted for by the Secretary of the Treasury, instead of by the several departments and establishments, upon such days as he may designate. There shall be a general supply committee in lieu of the board provided for in section thirty-seven hundred and nine of the Revised Statutes as amended, composed of officers, one from each such department, designated by the head thereof, the duties of which committee shall be to make, under the direction of the said Secretary, an annual schedule of required miscellaneous supplies, to standardize such supplies, eliminating all unnecessary grades and varieties, and to aid said Secretary in soliciting bids based upon formulas and specifications drawn up by such experts in the service of the Government as the committee may see fit to call upon, who shall render whatever assistance they may require. The committee shall aid said Secretary in securing the proper fulfillment of the contracts for such supplies, for which purpose the said Secretary shall prescribe, and all departments comply with, rules providing for such examination and tests of the articles received as may be necessary for such purpose; in making additions to the said schedule; in opening and considering the bids; and shall perform such other similar duties as he may assign to them: *Provided*, That the articles intended to be purchased in this manner are those in common use by or suitable to the ordinary needs of two or more such departments or establishments; but the said Secretary shall have discretion to amend the annual common supply schedule from time to time as to any articles that, in his judgment, can as well be thus purchased. In all cases only one bond for the proper performance of each contract shall be required, notwithstanding that supplies for more than one department or Government establishment are included in such contract. Every purchase or drawing of such supplies from the contractor shall be immediately reported to said committee. No disbursing officer shall be a member of such committee. No department or establishment shall purchase or draw supplies from the common schedule through more than one office or bureau, except in case of detached bureaus or offices having field or outlying service, which may purchase directly from the contractor with the permission of the head of their department: *And provided further*, That telephone service, electric light, and power service purchased or contracted for from companies or individuals shall be so obtained by him.

Mr. HOLMES. Now, you asked me whether I had any suggestions to make.

Mr. ALEXANDER. Yes.

Mr. HOLMES. I would like to say that I think new laws are absolutely necessary for the better protection of the postal service. Under that law the Secretary of the Treasury can take almost any article and put it under his schedule. While it says "ice, fuel, and other miscellaneous supplies," under the ruling of the accounting officer "other miscellaneous supplies" means other miscellaneous supplies of that character, but it really can be taken to mean any kind of supplies—miscellaneous supplies—except our special supplies. Now, in the postal service we buy supplies in large quantities, and in many cases we do not want them delivered in Washington. We are trying to have them delivered away from Washington, have them sent from the contractors to the place where they are needed, and we are going to do that this year with regard to twine. For years back they have been sending that to Washington and then we have been sending it out. The general supply committee's contracts call for delivery, Washington,

D. C., and some of them f. o. b. factory, and that the bidder or contractor shall deliver to any distance that is not greater than the distance to Washington, and they are delivered in small lots.

Mr. REDFIELD. That is not a necessary part of it.

Mr. HOLMES. But it is a fact.

Mr. REDFIELD. It can be changed any hour.

Mr. HOLMES. But I want to explain the necessity for a law. They deal in small lots, and for instance, in twine, we order by the carload, 30,000 pounds. If that is put under the general supply committee, the Department of Agriculture could order 25 pounds or 5 pounds, or any other department could order it that way, and that increases the price to us in the postal service. As a matter of fact, one of the bidders who will bid on our contract this year refused to bid on the general supply contract for that reason. I recommended to the Postmaster General that we keep this article, because it would increase the price. This man who is going to bid on our contract did not bid on the general supply committee contract because they won't bother with it, and that increases the price to us.

Now, there is another thing. I guess we buy 12,000 dozen pads like these [indicating] for the postal service. It is a common wood-pulp paper. Now, the departments, of course, want pretty good material, and that is usually what they usually get. They call for part rag. We can not furnish that kind of paper to the postal service, and if we have to take that—we only have an appropriation of \$100,000—it will probably cost us \$2,000 more, and that means 2 per cent of the appropriation. So I say that my opinion is that the postal service—as it is appropriated for separately—the general supply committee should not have control of this, and I do not believe it was intended in the law originally, except for the department itself.

Mr. ALEXANDER. Do you think it would result in economy and better administration to have a general supply committee for all the departments?

Mr. HOLMES. Yes, sir; I do think it is a good thing.

Mr. ALEXANDER. To have a general supply committee?

Mr. HOLMES. I think it would be all right to have a central purchasing agency, but have it under the same jurisdiction and supervision, but make the postal service contracts separate. I think there ought to be one authority for it, and whoever is at the head of it ought to have absolute authority and should report to Congress or to the President.

Mr. ALEXANDER. And have separate contracts for the Post Office Department?

Mr. HOLMES. Yes. I just want to mention another thing. We buy, I think, about 60,000 rubber stamps to stamp letters, and we have to give every clerk several of them, and we advertise for one, two, or three lines. We have been getting them for a little over 3 cents a stamp. The general supply committee included our supply in the department, and they asked for rubber stamps one line, two lines, or three lines, and the price, as I understood from a bidder yesterday, was 6 cents for one line, or at least it would average 6 cents for the one, two, or three. He said:

I have put a bid in for the Post Office Department that we will furnish them for the Post Office Department, these 60,000 stamps, for 3½ cents.

Mr. MCCOY. That is because they are more uniform?

Mr. HOLMES. Because they know they will be purchased in large quantities, and they will not get an order for one stamp at a time.

Mr. SLEMP. That same information would be communicated to the general supply committee?

Mr. HOLMES. I imagine they could do it, but they did not advertise for it in that way.

Mr. REDFIELD. If I understood you correctly, you suggest, then, that while you approve of a central purchasing power, that such contracts as by their quantity can be made more advantageously as a separate contract should be so made?

Mr. HOLMES. Yes, sir.

Mr. REDFIELD. Even by that central purchasing power?

Mr. HOLMES. Yes. I think they ought to be made so as to have uniformity. You can not standardize in any other way.

Mr. REDFIELD. There is no suggestion here against a central purchasing power, but merely as to their procedure.

Mr. HOLMES. I believe it is a good thing, although it will legislate me out of office. I would like to mention another striking case. We spend \$200,000 a year for jute twine, which is used for tying packages of letters, and so on. You see the distributors in post offices—a man will get a batch of letters and stand before his case and distribute along until he fills the compartment for Richmond, say, and then he will tie it up and throw it in a bag—and they use it for that purpose. This year we are getting 632 yards to the pound and pay about 7.7 cents a pound. Up until last year, when I changed the specifications and made the recommendation which the Postmaster General approved, we were buying twine not less than 450 yards to the pound and of a little higher tensile strength. The price of jute went up a little last spring and I told him that we would have a deficit in the appropriation unless—to get a greater yardage you have got to reduce the tensile strength—and I said that if we will advertise for a twine of less tensile strength we can get greater yardage, and while we pay for it by the pound we really buy yardage. Now, the General Supply Committee is advertising for it 450 yards to the pound, just as before. This year twine has gone up enormously.

Mr. REDFIELD. About 40 per cent.

Mr. HOLMES. Yes, sir. Now, the postal receipts are increasing, and naturally more letters are being handled, and we have got to do something in regard to this twine. The general supply committee wanted twine this year, and they called for estimates. I protested. I said: "We are not prepared at this time to say that we can buy 450 yards to the pound, or give any estimate." The Postmaster General authorized me to investigate it, which I did, and we have now determined to advertise for three months only—June, July, and August—and to make a contract for a year from October 1. I will tell you why that is. The jute crop is planted in March. It is all grown in India. It is harvested at the end of June or July. The Government has been bidding for jute twine at the time it is planted, and it has been a gamble. The present high price is based on the fact that last year the jute crop failed because of excessive rain. Now, we may pay higher for the next three months, but we will know next August whether it is a good crop or not, and we will be in a better position to bid for future

years. Now, I say that if the general supply committee had advertised and bid at these prices, I consider it would have been wrong.

Mr. McCoy. That is, if they now advertise for a longer period, before they can ascertain something about the facts?

Mr. HOLMES. Yes, sir; that is right. They have no authority to advertise for longer than one year. We have authority, for all our supplies, to advertise for four years, but just the same, under that schedule, they have some of our stuff.

Mr. SLEMP. You regard your present position, then, as somewhat advisory to the general supply committee?

Mr. HOLMES. No; I do not.

Mr. McCoy. Let me ask you this question. You say you advertise sometimes for four years. Do you ever advertise for bids on a sliding scale, so that you can get the benefit of fluctuations, while the man who sells at the same time is making a profit?

Mr. HOLMES. No.

Mr. McCoy. Is that at all practicable?

Mr. HOLMES. No, sir. In advertising we award the contract to the lowest responsible bidder. "Responsible" has been taken to be the lowest satisfactory bidder. It has got to be satisfactory.

Mr. McCoy. That is not my point. You advertise for furnishing a certain thing for four years. Now, we will say that thing is bid for at 5 cents for whatever quantity you please. Now, maybe inside the four years it will go down to 3 cents, and, on the other hand, it might go up to 6 or 7 cents. Is there any way in which you could get the benefit of the lower market, at the same time giving the contractor the benefit of the higher market? In other words, so that for the entire period it would practically be based on market conditions and not be so much of a gamble?

Mr. HOLMES. That would be a good thing.

Mr. McCoy. Do you think it could be done?

Mr. HOLMES. I think it could in some cases. I say it has never been done; it has been done. It was done by the Public Printer on the postal-card contract. He reserved the right to charge 9 per cent additional if the price of paper went up, and he is going to reduce the price on money-order forms. Now, it would not be advantageous to advertise for his supply for four years.

Mr. McCoy. I was only referring to those cases where you do advertise for four years.

Mr. HOLMES. It is an even thing. Take the case of the contractor for cotton sacks that are used in the postal service. We spend \$300,000 a year. At the time the contract was made the price of cotton was about 10½ cents. It is about 15 cents now. He bid under the former contract, and we advertised that we would use probably so many of a certain sack in four years, and that was based on the actual need during the previous period. As a matter of fact, we ordered in one year about three years' supply, and, therefore, we are getting the best of it there.

Mr. McCoy. My suggestion was along the line of the Government, not really speculating as to what the future market was going to be, and having a sliding scale of prices based on prices of raw materials.

Mr. HOLMES. I think the best way to do that is to make a short-term contract.

Mr. McCoy. And not contract for four years?

Mr. HOLMES. No. He will certainly expect to make something, and the Government is going to lose, I think.

Mr. SLEMP. Are the present supplies of the Post Office Department being purchased under the General Supply Committee or not?

Mr. HOLMES. For the Post Office Department they are not, our special supplies for the postal service. For instance, the General Supply Committee does not handle the envelope contract.

Mr. McCoy. Let me make the suggestion that Mr. Holmes be asked to prepare a statement containing such recommendations and suggestions as he sees fit to make, and we can file it.

The CHAIRMAN. We would be very glad to have it.

Mr. HOLMES. I want to say that I have talked with the Postmaster General about these things, and they have his approval.

(Thereupon the committee adjourned until Saturday, May 27, 1911, at 10 o'clock a. m.)

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
Saturday, May 27, 1911.

The committee this day met at 10 o'clock a. m.; Hon. William A. Ashbrook (chairman) presiding.

TESTIMONY OF MR. THEODORE L. WEED, CHIEF CLERK, POST-OFFICE DEPARTMENT—Continued.

The CHAIRMAN. Now, Mr. Weed, you stated the other day, when you were before the committee, that these improvements made in the Postmaster General's office were made during his absence, and that the purchases were made by you?

Mr. WEED. Yes, sir.

The CHAIRMAN. And how long did you say the Postmaster was absent at that time?

Mr. WEED. I stated about five weeks.

The CHAIRMAN. And during that time he was engaged in what?

Mr. WEED. I said he was engaged in visiting post offices in the far West and in the Southwest, and in taking some vacation.

The CHAIRMAN. Well, was he engaged during that time largely in official duties or taking a vacation?

Mr. WEED. Largely in official duties.

The CHAIRMAN. You also stated that he made no charge for his traveling or incidental expenses while on that trip?

Mr. WEED. Absolutely.

The CHAIRMAN. And that his incidental expenses cost him as much as it cost the Government to refurnish his offices?

Mr. WEED. Yes. But if you will bear in mind I included the two trips that he had made when I referred to that fact—the trip he made the summer before as well as the one last summer.

The CHAIRMAN. How long was he away the summer before?

Mr. WEED. I should say substantially the same time.

The CHAIRMAN. Perhaps 10 weeks in all?

Mr. WEED. I should think possibly so; he covered the same ground.

The CHAIRMAN. That would be about \$750 a week for his incidental expenses?

Mr. WEED. Well, yes; but pardon me a moment. Because you see you confuse things; the statement I made—when I drew the comparison I was speaking of the furnishing of the brown room. We then had not gone into the two red rooms. I was confining myself to his own private office, the expense of which was \$4,000.

Mr. TOWNER. Do you not think that is too incidental?

The CHAIRMAN. It is simply this, and my object in further inquiring was to know whether or not when Mr. Hitchcock did charge for his incidental expenses he charged the Government the same rate?

Mr. WEED. He did not charge the Government any incidental expenses at all. I made the statement that the brown room cost altogether about \$4,000, and it was scarcely as much as the Postmaster General had spent out of his own pocket on the two trips to the far West.

The CHAIRMAN. This statement was about the concluding statement that you made at the hearing, and there is no reference made to any of the rooms. It simply says:

I just want to say, as an instance of his care in these matters, that while he went away last summer to look over the postal service in the West and North, as he did the summer before, involving a personal expenditure to himself amounting to as much, perhaps, as this room cost.

Mr. WEED. I had reference——

Mr. TOWNER. If you would not venture upon independent comments of your own, but would just content yourself with answering the questions of the chairman and the members of the committee it would save yourself, perhaps, some embarrassment and the committee a great deal of time.

The CHAIRMAN. I wanted to know of Mr. Weed whether or not when Mr. Hitchcock made charges for traveling and incidental expenses that it would correspond with the expenses of this trip; but we will let that pass. Now, Mr. Weed, what did your desk cost—the desk that you use in your office?

Mr. WEED. Well, I did not come up prepared for my office; all my data refers to the Postmaster General's office. I will be very glad to supply that information for you.

The CHAIRMAN. Is it true it cost anything like \$800?

Mr. WEED. Oh, my, no; not \$200

The CHAIRMAN. Well, then, can you inform the committee what you paid for a waste-paper basket in the Postmaster General's office?

Mr. WEED. Yes, sir.

The CHAIRMAN. How much?

Mr. WEED. You are speaking now of the Circassian walnut room, and I would like to have the privilege of making a statement about that particular item.

The CHAIRMAN. Just state the price paid; it will speak for itself, I presume.

Mr. WEED. \$35.

The CHAIRMAN. That is correct, as has been reported to me.

Mr. MCCOY. What is it made of?

Mr. WEED. Circassian walnut.

The CHAIRMAN. Do you think there are very many \$35 waste-paper baskets in the city of Washington?

Mr. WEED. I think there are quite a number, Mr. Ashbrook.

The CHAIRMAN. Now, then, Mr. Weed, in speaking of the offices of the Postmaster General, no reference has been made to the private bathroom. I wish you would please inform the committee whether or not the Postmaster General has a private bathroom?

Mr. WEED. No, sir; he has not a private bathroom.

The CHAIRMAN. In the Post Office Building?

Mr. WEED. I never heard of any such bathroom in the Post Office Building. He has a private toilet room, a lavatory, if you prefer to call it that.

The CHAIRMAN. It is a lavatory and not a bathroom?

Mr. WEED. Oh, no; there is no bathroom.

The CHAIRMAN. Well, these figures that you gave us the other day, did they include the refurnishing of the lavatory?

Mr. WEED. Well, if they do not, I meant them to do so, and these bills which will be submitted to you include everything by items. You will remember that I came up at a moment's notice and without any bills.

The CHAIRMAN. Were the furnishings for the Postmaster General's lavatory furnished by the Globe-Wernicke people also?

Mr. WEED. No, sir.

The CHAIRMAN. Were these improvements made at the same time you refurnished the other offices?

Mr. WEED. Substantially.

The CHAIRMAN. But you did not buy the furnishings from the Globe-Wernicke Co.?

Mr. WEED. No; S. S. Shedd.

The CHAIRMAN. Well, if you have a list of the articles purchased and the prices paid for the same, you will now read the same to the committee.

Mr. ALEXANDER. I would like to ask Mr. Weed whether this is a plat of the Postmaster General's offices [handing paper to witness]?

Mr. WEED. Yes.

(Said plat is marked "Exhibit No. 7," and follows.)

Mr. ALEXANDER. What is this room here occupied for [indicating on Exhibit No. 7]? Is that the lavatory?

Mr. WEED. No; the lavatory is in the little circle nearest your hand. This is a sort of a hallway, the room to which you point, in which the private elevator enters from the first floor.

Mr. ALEXANDER. There is a private elevator in there?

Mr. WEED. Yes, sir; it really is a passageway right to the reception room.

Mr. ALEXANDER. But there is an elevator there now?

Mr. WEED. Yes, sir. It was put there when the building was originally constructed.

Mr. ALEXANDER. That is the elevator here [indicating]?

Mr. WEED. Yes, sir. Everything was there.

The CHAIRMAN. I notice here the brown room; the brown room is the Postmaster General's private office, is it not?

Mr. WEED. Yes, sir. You will notice it is marked "B. R."

Mr. McCoy. I suggest that Mr. Weed call those rooms off and say "B. R." is the brown room, "S. R. R." is the small red room, "L. R. R." is the large red room, and we will have it in the record and will know what we are talking about.

Mr. WEED. Suppose I write it in, too?

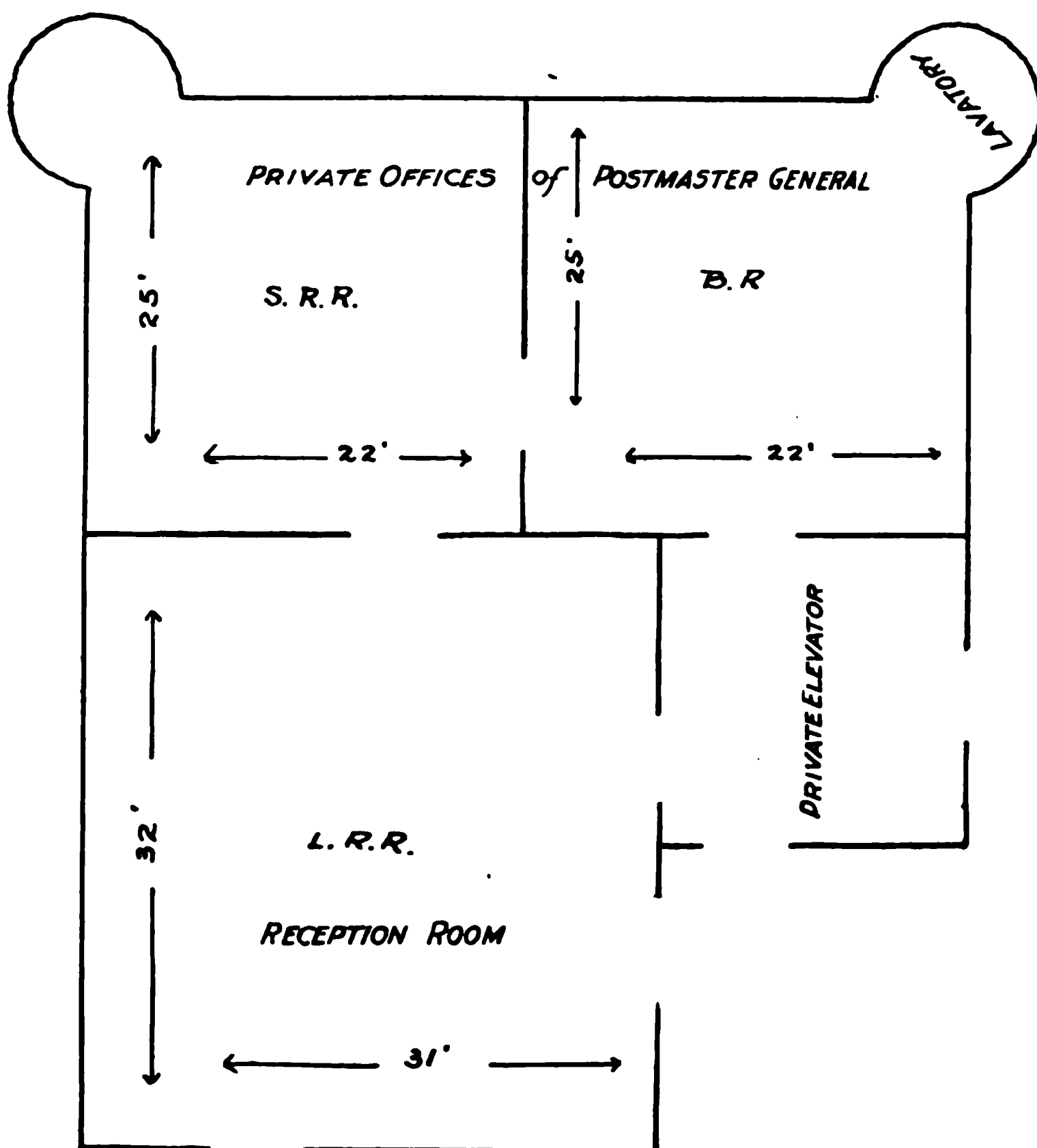
Mr. ALEXANDER. There is no necessity to stop for that now; you have identified that as a plat of the Postmaster General's office. Now, I notice on that plat a corner marked "Lavatory." Now, that was the lavatory of the Postmaster General's office, was it?

Mr. WEED. It is now; yes, sir.

Mr. ALEXANDER. Then I notice a room in the corner marked "B. R." What would "B. R." stand for?

Mr. WEED. The brown room.

Mr. ALEXANDER. And that is one of the Postmaster General's private offices, is it not?



Mr. WEED. It is one.

Mr. ALEXANDER. And is it 22 feet by 25 feet in dimensions?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Then adjoining that is another room marked "S. R. R." What does that mean?

Mr. WEED. The small red room.

Mr. ALEXANDER. And that is one of the private offices of the Postmaster General?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Its dimensions are 22 by 25 feet?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Then adjoining that is a room marked "L. R. R."

Mr. WEED. The large red room.

Mr. ALEXANDER. And what is that room used for?

Mr. WEED. A reception room.

Mr. ALEXANDER. What are the dimensions of that room?

Mr. WEED. Thirty-one by thirty-two.

Mr. ALEXANDER. Then to the one side is a room marked "Private elevator." What is that used for?

Mr. WEED. It is a passageway placed there when the building was originally constructed.

Mr. ALEXANDER. Is there an elevator in that section?

Mr. WEED. Yes.

Mr. ALEXANDER. Was that elevator put there when the building was erected?

Mr. WEED. It was.

Mr. SLEMP. Does not a janitor sit there?

Mr. WEED. He sits just outside.

Mr. SLEMP. He sits outside of there?

Mr. WEED. We have all of our filing cases there and the private elevator entrance is there; it is used as a passageway and as a room for the records of the Postmaster General's offices.

The CHAIRMAN. Now, Mr. Weed, you have here a list of articles purchased for the brown room, the private office of the Postmaster General?

Mr. WEED. Yes, sir.

The CHAIRMAN. This list includes all of the articles purchased and furnished for this room?

Mr. WEED. I think it does; it is the imperfect list which I got up at a moment's notice, and I have not yet submitted the list which is to be an exhibit.

The CHAIRMAN. Well, I notice here one table, \$320?

Mr. WEED. Yes.

The CHAIRMAN. What kind of a table is that and what is its size?

Mr. WEED. That is a table in the Postmaster General's private office made of Circassian walnut; I think it is a circular table and I think 5 feet 6 inches in diameter.

The CHAIRMAN. That you considered a reasonable charge for such a table as the Postmaster General should have in his private office?

Mr. WEED. Exceptionally reasonable and such a table as he should have in his private office.

The CHAIRMAN. Now, there is an item for refinishing the room, \$352. What did that consist of?

Mr. WEED. That consisted of——

The CHAIRMAN. Of decorations?

Mr. WEED. No, not exactly. The room has a wainscoting about 4 feet high, made of oak, the doors and everything in the room were of oak, and that oak was treated in such a way that it resembled the furnishings in the room, or, in other words, it was turned into an excellent imitation of Circassian walnut. And I might say that before that work was done it was submitted informally to competition; the painters at the Capitol, for instance, were called in and——

The CHAIRMAN. Well, there is also an item of \$322 for decorating the room?

Mr. WEED. Yes, sir; that is the ceiling and the walls.

The CHAIRMAN. What did the decorations consist of?

Mr. WEED. They consisted of, in the first place, scraping the walls, naturally, and then placing a burlap on the wall, a substantial, solid burlap of some new design and the decorating of that burlap, so that there was some attempt at artistic effect in decorating the walls to harmonize with the color scheme of the burlap.

The CHAIRMAN. Then there is the waste-paper basket, \$35, one table at \$69, and the item, "Furniture, rug, draperies, etc., \$2,893.75." Please explain what other furniture was included in this item, and what the "etc." consists of.

Mr. WEED. First the entire equipment of the room is in Circassian walnut, and consists of a desk which cost \$280, a table which cost \$320—

The CHAIRMAN. But that is not included in this item of \$2,893.75?

Mr. WEED. Because it was made on a separate order.

Mr. ALEXANDER. He is trying to give the furnishings of the room.

The CHAIRMAN. But I was inquiring of him as to the items that are included in this charge of \$2,893.75.

Mr. WEED. Well, then, eliminate the table. A davenport, \$320.

Mr. MCCOY. A davenport sofa?

Mr. WEED. Yes; 8 feet long; 6 chairs, at \$80 each; a bookcase, \$160; a wardrobe, \$240; a marble-top table, \$60; and two smaller tables, \$60 each. I think that is approximately correct.

The CHAIRMAN. You will state how much the rug cost.

Mr. WEED. \$486.

Mr. ALEXANDER. What are the dimensions of the rug?

Mr. WEED. Approximately 20 by 23.

The CHAIRMAN. And the draperies?

Mr. WEED. I want the exact figures there. Can not you just consider that I have given them?

The CHAIRMAN. I will say that if the figures you give here are incorrect, you will have the privilege of correcting them.

Mr. WEED. Then I would say the draperies, \$370—well, there are two sets; I would say for draperies and curtains, \$600.

Mr. ALEXANDER. That is for this one room?

Mr. WEED. Yes, sir.

The CHAIRMAN. In round numbers, \$4,000 for this one room?

Mr. WEED. Yes, for the furnishings, and that does not include the bathroom you asked me about, and if you want that specifically, it is \$683 for the lavatory; I am using your word "bathroom."

Mr. MCCOY. Do not say bathroom if it is not a bathroom, because that confuses the record.

The CHAIRMAN. The reason I inquired as to the bathroom was that it was stated to me by an employee of the Post Office Department that the Postmaster General had the most extravagantly furnished bathroom in the city with one exception, and I wanted to make an inquiry as to that.

Mr. WEED. Of course, you gentlemen are coming down and can see for yourselves.

Mr. MCCOY. All I meant is, Mr. Weed, that you do not call it a bathroom and then say there is no bathroom, because it confuses the record; that is all.

The CHAIRMAN. I understand now it is not a bathroom, but a lavatory.

Mr. WEED. That is right.

Mr. ALEXANDER. As Mr. Weed suggests, I think it would be entirely proper for us to go there and look at those matters, and then we would have better information about them if any questions come up.

Mr. WEED. I should think it very unfortunate if you did not come.

The CHAIRMAN. Well, I believe the committee, inasmuch as they have made an investigation of these expenses, should inspect the same, and then be better able to determine whether or not there are undue extravagances in these furnishings. Now, in the large red room there appears to be one desk, \$27. Mr. Weed, you will please enumerate the articles in the large red room and their cost.

Mr. WEED. May I say that the carpet and a good portion of the furniture used for the visitors have been in the room for several years; I do not know how many. They were there long before this administration commenced. What I have purchased for that room comprise the five desks referred to yesterday.

The CHAIRMAN. Five desks and five chairs?

Mr. WEED. The desks costing \$160 each and the chairs costing \$40 each; the brass railing which I stated was made up from a lot of scrap pieces of discarded brass that had been lying around the Post Office Department, and two gates were made in order to give the clerks some little privacy, which they had never enjoyed before, in handling correspondence, the total cost of the construction of which, and the burnishing, amounted to forty some odd dollars.

The CHAIRMAN. That item does not appear here in this list.

Mr. WEED. Well, I told you that is incomplete, and that is why I did not submit that as an exhibit. There are some smaller items, such as filing units, and so forth, but I have not them in mind, but I will submit a list, in all not exceeding \$200 in cost, a total cost of \$200.

The CHAIRMAN. Were all of the articles of furniture in these offices removed, all of the old articles at the time you had the rooms refurnished, or did some remain?

Mr. WEED. The furniture in the brown room I used elsewhere in the department, where the demand existed for furniture, and especially in view of taking over the postal-savings system I used the furniture in the brown room and, of course, saved the purchase of additional furniture. What old furniture was removed from the large reception room was used elsewhere in the department. I would like to say that these vouchers that I have handed to you will show that all purchases had gone through the purchasing agent's office.

The CHAIRMAN. But did you not state that these purchases were made by you and the purchasing agent had nothing whatever to do with the purchases?

Mr. WEED. I said that the administrative action looking to their purchase was entirely by me and that the purchasing agent had nothing to do with the administrative action, but simply carried out the purchasing of the articles, the actual, physical part of making the purchases and seeing that they were made in the legal way.

The CHAIRMAN. Now, Mr. Weed, state the articles and the prices paid for the small red room.

Mr. WEED. First, may I say that the furniture in the small red room is of mahogany, and consists of one desk, at \$298.50; one table, at \$98; one chair, \$45; one chandelier, \$60; six desk trays, a total of \$10.50; two mahogany arm chairs, at \$46 each; two davenports, at \$270 each——

Mr. ALEXANDER. Might I suggest that Mr. Weed having filed these exhibits they speak for themselves—that is, they show the articles of furniture and the prices, and they are classified, as I understand it, showing the expenditures for each room—therefore I hardly see the necessity for going over them again in detail; do you not think so?

Mr. MCCOY. Yes; if we make any report they can be referred to.

Mr. ALEXANDER. Let him submit the exhibits showing the articles of furniture for the various offices so they can go into the record.

Mr. MCCOY. I suggest they be placed together and be marked consecutively as exhibits, or as one exhibit.

The CHAIRMAN. Mr. Weed, have you the correct amount, or the total amount, of the expenditures for the offices in question? It has been given approximately, and while these bills will show for themselves, yet if you could give the total amount it would appear in the record.

Mr. WEED. I will give it by rooms as soon as I get Form 10; will that be satisfactory?

The CHAIRMAN. All right. You may, Mr. Weed, state how much old furniture—that is, the old furniture that was in the offices previous to the refurnishing—was left in the offices and are now in use, and the value of the same.

Mr. SLEMP. And also what the value of the furniture was that was transferred to the fitting up of the offices of the postal savings banks.

Mr. WEED. It was considerable, but I should like the privilege of submitting that at my next hearing, if there is to be another one; I realize that is an important question and I want to get the full benefit of it.

The CHAIRMAN. You could not offhand state the total value of all of the furniture and fixtures and furnishings in the Postmaster General's private offices?

Mr. WEED. Well, I beg your pardon; I was referring to the furniture which we had taken from those rooms and used elsewhere. That is what Mr. Slemp referred to.

The CHAIRMAN. I made an inquiry as to the value of articles left in the offices and are now in use.

Mr. WEED. I can not, you see, answer as to purchases made so many years ago, under different administrations; I would have to go to the Treasury Department to get the cost of some of that furniture; it includes carpets, old bookcases, and filing devices, the Treasury Department having placed the original furniture in that building when it was occupied for the first time about 13 years ago.

Mr. SLEMP. One other question: Does the present Postmaster General use any more additional space than was used by his predecessors in what is called the offices of the Postmaster General?

Mr. WEED. The present Postmaster General uses less space than was ever used by his predecessors.

Mr. SLEMP. As a matter of fact, then, he would probably have less furniture, would he not, as a whole?

Mr. WEED. So far as his personal use is concerned.

Mr. TOWNER. Can you give the committee, in tabulated form—because you say you will have to give this data either by bringing it to the committee or by sending it to them in a statement—all of the furniture, fittings, fixtures, and office devices there were in the rooms and offices of the Postmaster General at the time when this change was made and a tabulated statement, with prices attached, of the furniture, fittings, work of refitting, devices, and everything that was purchased by you for the refitting and refurnishing of those rooms?

Mr. WEED. Yes, sir.

Mr. TOWNER. And what became of the furniture which had been used and which was superseded by new.

Mr. WEED. Yes, sir.

Mr. McCoy. And the length of time during which the furniture had been used.

(The statement referred to, as furnished by Mr. Weed, is marked "Exhibit 8," and is as follows:)

[Furnished by Treasury Department, Oct. 1, 1899.]

EXHIBIT 8.

List of mahogany furniture.

Private office of the Postmaster General:	Cost.
1 desk to match P. M. G. No. 2, otherwise like P. M. G. No. 3.	\$73. 50
1 lounge, P. M. G. No. 12.....	47. 15
1 bookcase, P. M. G. No. 7.....	44. 00
1 wardrobe, P. M. G. No. 6.....	78. 00
1 water cooler and umbrella stand, P. M. G. No. 1.....	30. 00
1 revolving chair, P. M. G. No. 15.....	30. 00
2 armchairs, P. M. G. No. 13.....	111. 00
2 side chairs, P. M. G. No. 14.....	41. 50
1 revolving chair, No. 17.....	30. 00
1 carpet, Wilton.....	103. 22
1 silver service.....	
2 cuspidors and mats.....	
1 clock, electric	18. 00
Total.....	<u>606. 37</u>
Toilet room:	
1 toilet mirror, No. 32.....	12. 50
1 3-rod nickel rack.....	
1 cuspidor and mat.....	
Total.....	<u>12. 50</u>
Public room:	
1 desk, P. M. G. No. 2.....	107. 00
1 bookcase, P. M. G. No. 7.....	10. 00
1 sofa, P. M. G. No. 11.....	76. 50
2 armchairs, P. M. G. No. 13.....	60. 00
2 side chairs, P. M. G. No. 14.....	41. 50
1 revolving chair, P. M. G. No. 15.....	30. 00
1 revolving chair, No. 17.....	30. 00
1 carpet, Wilton.....	191. 45
1 water cooler and umbrella stand, P. M. G. No. 1.....	30. 00
2 cuspidors and mats.....	
1 silver service.....	
Total.....	<u>576. 45</u>

Reception room:	Cost.
1 desk, P. M. G. No. 2.....	\$107. 00
1 8-drawer typewriter cabinet.....	85. 00
1 table, P. M. G. No. 4.....	78. 00
1 revolving chair, P. M. G. No. 15.....	30. 00
1 water cooler and umbrella stand, P. M. G. No. 1.....	30. 00
1 revolving chair, No. 17.....	30. 00
4 armchairs, P. M. G. No. 13.....	83. 00
4 bentwood chairs, No. 453.....	14. 00
2 sofas, P. M. G. No. 11.....	153. 00
1 coat and hat rack, P. M. G. No. 5.....	86. 50
1 mirror, P. M. G. No. 10.....	
4 chairs, No. 16½.....	28. 00
1 silver service.....	
1 carpet, Wilton.....	103. 22
1 clock, electric.....	18. 00
4 cuspidors and mats.....	
Map rack.....	55. 00
Total.....	<u>870. 72</u>
Postmaster General, private secretary:	
1 desk, No. 1.....	65. 00
1 8-drawer roll-top typewriter cabinet.....	85. 00
1 2-compartment wardrobe, 16 inches wide, otherwise like No. 134½....	20. 00
2 Victoria chairs, No. 108 X Y.....	12. 00
1 rotary armchair, No. 17.....	30. 00
1 water cooler and umbrella stand, No. 29.....	25. 00
1 3-gallon cooler.....	
1 toilet mirror, No. 32.....	12. 50
1 3-rod nickel towel rack.....	
1 sofa, No. 28.....	25. 00
2 armchairs, No. 16½.....	14. 00
1 bentwood chair, No. 453.....	3. 00
4 cuspidors and mats.....	
1 clock.....	12. 00
1 carpet, Wilton.....	40. 75
1 letterpress stand, No. 31.....	10. 50
Total.....	<u>354. 75</u>
Anteroom, 1 carpet.....	<u>35. 93</u>
Grand total.....	<u>2, 456. 72</u>

Mr. McCoy. Mr. Weed, I notice on one of these green sheets which you have furnished, at the top of it, the following: "Exigency supply requisition." That is what you call a requisition blank, is it—that green sheet?

Mr. WEED. Yes, sir; that is the preliminary request on the purchasing agent to obtain prices.

Mr. McCoy. What was the exigency in this particular situation of furnishing the Postmaster General' offices?

Mr. WEED. The importance, in fact, the necessity, of having the rooms completed during his absence in the West for occupancy on his return.

Mr. McCoy. Is that word "exigency" put there with reference to any law controlling the Post Office Department?

Mr. WEED. The word occurs in section 3709, Revised Statutes, but I can not answer your question directly.

Mr. McCoy. Was the word "exigency" in this matter meant to be used as indicating that the purchases were made under the provisions of that section of the Revised Statutes?

Mr. WEED. Yes, sir.

Mr. McCoy. Do you know of any other instance in which it has been interpreted in that same way, and the interpretation has been acted on?

Mr. WEED. Yes, sir; in every executive department of the Government and in every branch of the United States Capitol.

Mr. McCoy. Then, as I understand it, all of those offices were furnished under the exigency that the occupant was away and that the office needed to be furnished before he got back?

Mr. WEED. No; I did not mean that at all.

Mr. McCoy. A few moments ago you said the exigency was to hurry the furnishing of the offices?

Mr. WEED. Yes; but in the first place you asked me about the Postmaster General's office, and then if I knew of any other offices that had been furnished under that term "exigency."

Mr. McCoy. I asked you whether the exigency existed in this particular matter and asked you what the exigency was, and you answered that it was that the offices should be furnished completely before the Postmaster General returned.

Mr. WEED. Yes, sir.

Mr. McCoy. Then I asked you the question about the usual interpretation of the word "exigency" or on any occasions of which you knew, and you said that was the interpretation put upon it whenever any of the offices of Cabinet officers were to be furnished.

Mr. WEED. I did not mean that; I could not possibly know or analyze what the other departments and the Capitol had in mind when they took advantage of that term "exigency," which appears in section 3709 of the Revised Statutes.

Mr. McCoy. Then what you meant was that whenever a Cabinet officer's office is to be furnished they proceed under this method?

Mr. WEED. I did not mean to say in all cases; I meant to say that that was a very general use of the statute. Of course, I could not say in all cases, because I have not been employed in all the departments.

Mr. McCoy. Well, frequently, at any rate, it is done in this way?

Mr. WEED. Very frequently.

Mr. McCoy. Then it is really not an exigency case, but a special case applying especially when offices of Cabinet officers are to be furnished?

Mr. WEED. Well, I think the comptroller probably has rendered some decision that would define the word "exigency."

Mr. McCoy. Do you know of any decision he has rendered which would define a case as an exigency when it depends merely upon the fact that a Cabinet officer's office was to be furnished?

Mr. WEED. I do not. I should like to really consider the question and look up some of the references.

Mr. McCoy. What I am really after is to ascertain your views of an exigent situation, so that the committee may later on make recommendations, perhaps, leading to a change of the law, or a definition in the law, of what "exigency" means. I simply want to know what the exigency was in this matter and you say it was that the Postmaster General's offices might be furnished completely before his return?

Mr. WEED. Mr. McCoy, I think that is just as good a definition of exigency as you could find.

Mr. McCoy. Mr. Weed, I am not asking you about a definition of the word "exigency," but I want to know in this particular case

whether that was the reason why an exigency supply requisition was put in?

Mr. WEED. Yes, sir.

Mr. McCoy. Because of the fact that he was away and you wanted the offices furnished completely before he got back?

Mr. WEED. Naturally, because otherwise no business could have been conducted in the offices.

Mr. McCoy. I do not want you to draw any inferences, but I want you to state what was in your mind at the time. That was in your mind?

Mr. WEED. Yes, sir.

Mr. McCoy. And that was why this was considered an exigency matter? Now, how could the Globe-Wernicke people meet that exigency any better than any other company could have met it—the exigency of the necessity for hurry?

Mr. WEED. By facilities which I had learned from previous experience could be well described as superior.

Mr. McCoy. You mean superior to facilities which were possessed by other companies?

Mr. WEED. So far as my information went; yes, sir.

Mr. McCoy. You say you learned from experience, not from information; what was your experience which taught you this fact?

Mr. WEED. Well, if you desire that, I should like to submit a statement and look up my records.

Mr. McCoy. I desire you shall answer my question.

Mr. WEED. There are some questions it is very difficult to answer.

Mr. McCoy. Then you should not lead me into a line of questions which you can not carry out. You say your previous experience has taught you that the Globe-Wernicke Co. had facilities superior to other peoples' facilities. Now, then, I ask you what your experience was; you had something in your mind which made you answer my question in that way. Now, what was your experience?

Mr. WEED. My experience was the fact that an order had never been given to that firm, within my knowledge, that had not been promptly filled, filled on the date specified, and filled with honest goods.

Mr. McCoy. I am not talking about honest goods; I am talking about facilities for speed. What orders given to that firm had you any knowledge of prior to giving them this order?

Mr. WEED. To the Globe-Wernicke firm?

Mr. McCoy. Yes.

Mr. WEED. I had a knowledge of orders given to the Globe-Wernicke firm as far back as 1904 in the Department of Commerce and Labor.

Mr. McCoy. How many orders had you any knowledge of, roughly speaking?

Mr. WEED. Covering a period of six or seven years I should say 50 orders.

Mr. McCoy. Of any substantial amount?

Mr. WEED. Yes, sir.

Mr. McCoy. Well, is it a fact, then, that the Globe-Wernicke Co. gets most of the business of the departments in the city of Washington?

Mr. WEED. Not that I know of. I understand the Library Bureau good deal of business in some of the departments.

Mr. McCoy. You mean the Boston Library Co.?

Mr. WEED. I understand they are the only people who can get into the Senate Office Building, and I understand the Yawman & Erbe Co. have been the only people that could get into the Interior Department.

Mr. McCoy. You understand, then, that a situation exists in Washington where certain firms have a monopoly of certain kinds of business?

Mr. WEED. It is customary to—may I just explain, because a word does not answer a question.

Mr. McCoy. You said you understood that certain companies were the only companies that could get into certain departments; now, do you mean by that that they have a monopoly of the business in those departments?

Mr. WEED. Substantially.

Mr. McCoy. Has the Globe-Wernicke Co. a monopoly of the business of any department in Washington so far as you know?

Mr. WEED. It has not.

Mr. McCoy. What other company has ever had an opportunity to sell articles of this kind to the Post Office Department?

Mr. ALEXANDER. In competition with them.

Mr. WEED. The Derby Desk Co.

Mr. McCoy. Why did you not go to the Derby Desk Co. in this matter and give them an opportunity to bid?

Mr. WEED. My experience with the Derby Desk Co. was most unfortunate. In Commerce and Labor I had to reject 35 or 40 of their desks, and in the Post Office Department, likewise, because they did not come up to specifications.

Mr. McCoy. Did you ever try the Boston Library Bureau in the Post Office Department?

Mr. WEED. I have never bought any of their goods.

Mr. McCoy. Did you ever give them a chance to compete?

Mr. WEED. Oh, yes.

Mr. McCoy. Why were not their bids accepted?

Mr. ALEXANDER. I would suggest why did not they have a chance to compete in this case?

Mr. McCoy. Yes; why did not the Boston Library Bureau get a chance on this job?

Mr. WEED. Because the matter was not submitted to competition.

Mr. McCoy. I am just going to ask one more question. You know, Mr. Weed, as a matter of fact, what is common knowledge, that the goods of the Boston Library Bureau have no superiors in this country, do you not?

Mr. WEED. I do not know that.

Mr. McCoy. You have never heard that?

Mr. WEED. I do not remember that I ever heard any such statement.

Mr. TOWNER. Mr. Weed, all of these statements that you have made as to what the other departments do with regard to these other companies and all that kind of thing are purely from hearsay, are they not? Therefore, why do you answer those questions? You certainly have no personal knowledge of the facts, have you?

Mr. WEED. It is mostly from hearsay.

Mr. TOWNER. Why, certainly. Is it not true that all of your statements regarding those matters are from hearsay?

Mr. WEED. Except my experience in Commerce and Labor.

Mr. ALEXANDER. Mr. Weed, I will ask you to identify these exhibits. We will call this Exhibit 9, which shows the expenditures on account of the small red room?

Mr. WEED. Yes, sir.
(Exhibit 9 is as follows:)

EXHIBIT 9.

SMALL RED ROOM.

Quintuplicate.]

Form 10.

[Order No. A-1553.

POST OFFICE DEPARTMENT,

WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date: April 8, 1910. To The Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for Office of Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	6	No. 2 desk trays, mahogany.....	\$21.00	Dozen.....	\$10.50
	2	No. 045 mahogany armchairs.....	46.00	Each.....	92.00
	2	No. 870617-2 mahogany davenports.....	270.00	.....do.....	540.00
	1	No. 045 mahogany armchair.....			46.00
	3	No. 4 mahogany desk trays.....	1.85	Each.....	5.55
	2	No. 0 8617 mahogany armchairs.....	165.00	.....do.....	330.00
	1	No. 044 mahogany revolving chair.....			45.00
		Total.....			1,069.05

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4b of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

Quintuplicate.]

Form 10.

[Order No. A-1560.

POST OFFICE DEPARTMENT,

WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 8, furniture. Date: April 10, 1909. To W. B. Moses & Sons (Inc.), Washington, D. C. Exigency req. No. A-581. Ordered for office of acting private secretary, Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	Desk, mahogany, flat-top, 72 by 54 inches, No. 86092, Moses & Sons.....			\$298.50
		Total.....			298.50

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4b of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

141

Quintuplicate.)

Form 10.

[Order No. A-2096.]

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 8, furniture. Date: June 24, 1909. To W. B. Moses & Sons (Inc.), Washington, D. C. Exigency req. No. A-783. Ordered for office of private secretary, Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	Mahogany table, 56 by 32 inches, W. B. Moses & Sons, No. 25598.....			\$98.00
		Total.....			98.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

Quintuplicate.)

Form 10.

[Order No. A-624.]

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date: November 1, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. A-185. Ordered for office of Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	No. 044-2 mahogany revolving chair..... Already delivered.			\$45.00
		Total.....			45.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

142 EXPENDITURES IN THE POST OFFICE DEPARTMENT.

Quintuplicate.] Form 10. [Order No. A-1552

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 1, stationery. Date: April 8, 1911. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for office or division of

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
.....	1	No. 2 mahogany desk set.....	.....	.....	\$5.50
.....	1	No. 666-2 waste basket.....	.....	.....	32.00
		Total.....	.....	.....	37.50

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4b of the methods of purchase indicated on the back of this order.
J. A. HOLMES, Purchasing Agent.

Quintuplicate.] Form 10. [Order No. A-792.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 2, fuel. Date: November 26, 1910. To National X Ray Reflector Co., 247 East Jackson Boulevard, Chicago, Ill. Exigency req. No. A-223. Ordered for office of Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	Indirect lighting fixture, 7-light, made by the National X Ray Reflector Co., Chicago, Ill. Already delivered.	.....	.....	\$60.00
		Total.....	.....	.....	60.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.
J. A. HOLMES, Purchasing Agent.

(This order was a service and did not pass through the office of the purchasing agent.)

Quintuplicate.]

Form 10.

[Order No. A-622.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date: November 1, 1910. To the Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for department.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
.....	Lining doors of bookcase in silk.....	.....	.....	\$7.50
		Total.....	.....	.....	7.50

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 3 of the methods of purchase indicated on the back of this order.

T. L. WEED,
Chief Clerk Post Office Department.

Mr. ALEXANDER. You may state whether Exhibit 10 is a statement of the expenditures on account of furnishings for the large red room.

Mr. WEED. Yes, sir.
(Exhibit 10 is as follows:)

EXHIBIT 10.

LARGE RED ROOM.

Quintuplicate.]

Form 10.

[Order No. A-1915.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date: June 9, 1910. To the Globe-Wernicke Co., Washington, D. C. Exigency req. No. A-634. Ordered for office of private secretary.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	No. 236081, mahogany desk, 72 by 40 inches.....	.....	.....	\$160.00
	4	Special typewriter mahogany desks, 60 by 34 inches.....	.....	.....	640.00
	1	No. 018B mahogany chair.....	.....	.....	49.00
	4	No. 024 mahogany chair.....	.....	.....	152.00
		The above are those of the Doten-Dunton Desk Co. The Globe-Wernicke Co., Washington, D. C., sole agents.			
		Total.....	.....	.....	1,001.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, Purchasing Agent.

144 EXPENDITURES IN THE POST OFFICE DEPARTMENT.

Quintuplicate.] Form 10. [Order No. A-268.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date, August 18, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. A-84. Ordered for office private secretary to Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity..	Description.	Price.	Per—	Amount.
O. M.	4	Brass cuspidors.....	\$2.00	Each.....	\$8.00
		Mahogany bookrack.....			10.00
		The above to be selected by the private secretary to the Postmaster General.			
		Total.....			18.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

Quintuplicate.] Form 10. Order No. A-256.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 2, fuel. Date, August 18, 1910. To National X Ray Reflector Co., 247 East Jackson Boulevard, Chicago, Ill. Exigency req. No. A-73. Ordered for department.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount
O. M.	4	Indirect lighting fixtures made by National X Ray Reflector Co., Chicago, Ill., 48-b, Stoddard fixture, composition only.	\$45.00	Each.....	\$180.00
		Total.....			180.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 2b of the methods of purchase indicated on the back of this order

J. A. HOLMES, *Purchasing Agent.*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

145

Quintuplicate.]

Form 10.

[Order No. A-1553.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date, April 8, 1911. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for office of Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	4	No. 421 upright V. L. units, drop front.....	\$41.00	Each.....	\$164.00
	1	Globe-Wernicke Co. 6-hole umbrella stand, mahogany.	.....	.....	8.00
	4	No. 321 V. L. bases, No. 5984.....	3.25	Each.....	13.00
		Total.....	.....	.....	185.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

(This order was a service and did not pass through the office of the purchasing agent.)

Quintuplicate.]

Form 10.

[Order No. A-1494.

POST OFFICE DEPARTMENT,
WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date, March 30, 1911. To Fred S. Gichner, Washington, D. C. Exigency req. No. Ordered for department.

Kindly deliver at once to the Post-Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
.....	Erecting brass railing in office of Postmaster General.	.....	.....	\$48.00
		Total.....	.....	.....	48.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 3 of the methods of purchase indicated on the back of this order.

A. L. DAVIS, *Acting Chief Clerk.*

146 EXPENDITURES IN THE POST OFFICE DEPARTMENT.

Mr. ALEXANDER. You may state whether Exhibit 11 is a statement of the furnishings used in the furnishing of the brown room.

Mr. WEED. Yes, sir.

(Exhibit 11 is as follows:)

EXHIBIT 11.

BROWN ROOM.

Quintuplicate.]

Form 10.

[Order No. A-1994.

**POST OFFICE DEPARTMENT,
WASHINGTON, D. C.**

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 2, fuel. Date, June 28, 1910. To National X Ray Reflector Co., Chicago, Ill. Exigency req. No. Ordered for office or division of department.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	2	Composition indirect lighting fixtures..... Already delivered on trial in room 534.	\$50. 00	Each.....	\$100. 00
		Total.....			100. 00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4b of the methods of purchase indicated on the back of this order.

J. A. HOLMES, Purchasing Agent.

Quintuplicate.]

Form 10.

[Order No. A-249.

**POST OFFICE DEPARTMENT,
WASHINGTON, D. C.**

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 1, stationery. Date, August 15, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. A-83. Ordered for office or Division of

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	Doten-Dunton No. 999 wastebasket			\$35. 00
		Total.....			35. 00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, Purchasing Agent.

Quintuplicate.]

Form 10.

[Order No. A-2004.

POST OFFICE DEPARTMENT,

WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date, June 30, 1910. To the Globe-Wernicke Co., Washington, D. C. Exigency req. No. A-661. Ordered for office or division of

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	Circassian walnut table, 5 feet..... Made by Doten-Dunton Desk Co., Globe-Wernicke Co., agents.			\$320.00
		Total.....			320.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4c of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

Quintuplicate.]

Form 10.

[Order No. A-88.

POST OFFICE DEPARTMENT,

WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 5, painting. Date, July 20, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for office or division of department.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
.....	To scraping all woodwork, removing finish, and refinishing in Circassian walnut in room 532-A.....			\$352.00
		Total.....			352.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 3 of the methods of purchase indicated on the back of this order.

T. L. WEED,
Chief Clerk Post Office Department.

Quintuplicate.]

Form 10.

[Order No. A-251.

Post Office Department,

WASHINGTON, D. C.

(Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.)

Appropriation: No. 5, painting. Date, August 15, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for office or division of.....

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	Doten-Dunton decoration on walls of room 532-A.....	.....	.....	\$322.00
		Total.....	.....	.....	322.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 3 of the methods of purchase indicated on the back of this order.

T. L. WEED,

Chief Clerk Post Office Department.

Quintuplicate.]

Form 10.

[Order No. A-250.

Post Office Department,

WASHINGTON, D. C.

(Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.)

Appropriation: No. 7, miscellaneous items. Date, August 15, 1910. To Globe-Wernicke Co., Washington, D. C. Exigency requisition No. A-83. Ordered for office or division of

Kindly deliver at once to the Post-Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	1	No. 46091, flat-top desk, 72 by 40 inches, Circassian walnut.....	.....	.....	\$295.00
	1	No. 026, desk chair, Circassian walnut.....	.....	.....	84.00
	5	No. 027, leg chairs, Circassian walnut.....	.....	.....	400.00
	1	No. 41898, telephone table, Circassian walnut.....	.....	.....	64.00
	1	No. 480914, bookcase, Circassian walnut.....	.....	.....	196.00
	1	No. 41898, table with black marble top.....	.....	.....	64.00
	1	No. 480917, davenport, Circassian walnut, with pillow.....	.....	.....	365.00
		The numbers given are those of Doten-Dunton Desk Co.			
	1	Doten-Dunton wardrobe, 6 feet 6 inches, with adjustable shelf, Circassian walnut to match above furniture.....	.....	.....	265.00
	1	Doten-Dunton rug, 19 feet 6 inches by 16 feet 6 inches.....	.....	.....	483.75
		Doten-Dunton draperies in room 532-A.....	.....	.....	395.00
		Doten-Dunton parquetry flooring and laying same in room 532-A.....	.....	.....	282.00
		Total.....	.....	.....	2,893.75

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4C of the methods of purchase indicated on the back of this order.

J. A. HOLMES, Purchasing Agent.

Quintuplicate.]

Form 10.

[Order No. A-1553.

Post Office Department.

WASHINGTON, D. C.

[Never omit order number from your invoice or package. Bills can not be passed for payment if order number is omitted.]

Appropriation: No. 7, miscellaneous items. Date, April 8, 1910. To the Globe-Wernicke Co., Washington, D. C. Exigency req. No. Ordered for office of Postmaster General.

Kindly deliver at once to the Post Office Department, Washington, D. C.:

Item No.	Quantity.	Description.	Price.	Per—	Amount.
O. M.	.....	Globe-Wernicke Co.'s draperies for alcove in office of Postmaster General.....	.....	.....	\$275.00
	4	Circassian walnut desk trays to match furniture in office of Postmaster General.....	.....	.....	15.00
		Total.....	.....	.....	290.00

I certify that the above prices, as stated, are just and reasonable and according to the agreement, and that the articles were purchased under No. 4b of the methods of purchase indicated on the back of this order.

J. A. HOLMES, *Purchasing Agent.*

Mr. ALEXANDER. Now, in that connection I ask to have inserted in the record the rule of the department under section 3709 of the Revised Statutes, relating to the method of advertising in making purchases for the department.

(Said rule is marked "Exhibit 12," and is as follows):

EXHIBIT 12.

METHOD OF OR ABSENCE OF ADVERTISING.

[Section 3709 of the Revised Statutes.]

1. After advertising in newspapers.
2. After advertising by circular letters sent to dealers and by notices posted in public places.
3. Without advertising, under an exigency of the service which existed prior to the order, and would not admit of the delay incident to advertising.
4. Without advertising, it being impracticable to secure competition because of *

FORM OF AGREEMENT.

- A. Under formal contract dated, 191....
- B. Under written proposal and acceptance filed (if with this voucher, so state; if not, indicate where.)
- C. Under less formal agreement (state character).
- * Among the reasons which may be assigned as making competition impracticable (sec. 4 on this fold) are the following:
- (a) Under a formal contract for construction, there arises a necessity for additional work practicable of performance only by the contractor.
- (b) The articles wanted are patented or copyrighted and not on sale by dealers, but by the owners of the patent or copyright or their agents or assigns alone, at a fixed and uniform price.
- (c) There is only one dealer within a practicable distance from whom the articles can be obtained.

(d) Prices or rates are fixed by legislation, either Federal, State, or municipal; or by competent regulation.

(e) Previous advertising for the identical purchase has been followed by the receipt of no proposals or only of such as were unreasonable, and under circumstances indicating that further advertising would not alter results.

Mr. ALEXANDER. Now, have you any itemized statement showing the articles purchased for and expenditures made in refurnishing the lavatory?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Is it here?

Mr. WEED. Oh, yes; certainly.

Mr. ALEXANDER. Is it here?

Mr. WEED. It should be here; it was supposed to be in there, the total cost.

Mr. ALEXANDER. It is not so marked.

Mr. TOWNER. Perhaps not independently.

Mr. WEED. The expenditures amounted to \$683?

Mr. ALEXANDER. You say, then, the expenditures on account of refurnishing the lavatory were \$683?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And you will furnish the committee with an itemized statement of the articles embraced in that sum?

Mr. WEED. Yes, sir.

(Said statement, as furnished by Mr. Weed, is marked "Exhibit 13," and is as follows:)

EXHIBIT 13.

Cost of lavatory in the Postmaster General's office.

Enameled-iron washstand, water-closet, seat, tank, and plumbing, etc.....	\$153. 33
Tiling (material and labor).....	148. 00
Piping for waste, vent, and water connections from fifth floor to basement ...	123. 67
Constructing partition, door, hardware, and plastering.....	158. 30
Plumbing labor (installing piping and setting fixtures).....	100. 00
Total.....	683. 30

Mr. ALEXANDER. Mr. Weed, what other rooms or offices in the Post Office Building were refurnished out of this appropriation of \$25,000 under which you say these expenditures were made?

Mr. WEED. The chief clerk's office, Division of Rural Mails——

Mr. ALEXANDER. Right at that point. What was the cost of refurnishing the chief clerk's office?

Mr. WEED. I will submit an itemized statement.

Mr. ALEXANDER. You do not recollect generally?

Mr. WEED. Yes, I do; approximately \$900.

Mr. ALEXANDER. What was the cost?

Mr. WEED. Approximately \$900; and I will submit an itemized statement.

(Said statement, as furnished by Mr. Weed, is marked "Exhibit 14," and is as follows:)

EXHIBIT 14.

Itemized statement showing the cost of furniture, carpets, and filing devices purchased for the various divisions of the department other than the rooms of the Postmaster General and the chief clerk since Mar. 1, 1910.

Date.	Articles.	Firm.	Cost.	Division.
1910. Mar. 1	Globe-Wernicke elastic bookcases, as follows: 2 D X tops.....	W. B. Moses & Sons..	\$3.60	Second Assistant Postmaster Gen- eral.
	4 D 10½-inch book units.....	do.....	11.70	Do.
	2 D 12½-inch book units.....	do.....	6.30	Do.
	2 D No. 10 leg bases.....	do.....	3.60	Do.
9	1 desk, 66 by 33 inches.....	Derby Desk Co.....	23.50	Fourth Assistant Postmaster Gen- eral.
10	32 square yards rubber matting.....	W. B. Moses & Sons...	53.44	Corridor, first floor.
10	1 sectional bookcase, No. 2984.....	do.....	9.45	Fourth Assistant Postmaster Gen- eral.
15	1 mahogany chair, No. 508-1983.....	do.....	7.25	Postmasters' Ap- pointments.
15	3 2-drawer sections filing cabinets, No. 48.	Yawman & Erbe Manufacturing Co.	11.25	Salaries and Al- lowances.
23	12 desk trays, oak, Globe.....	W. B. Moses & Sons..	12.00	Stock.
23	2 desk trays, oak, Globe.....	do.....	2.50	Fourth Assistant Postmaster Gen- eral.
Apr. 1	3 sections card-index cabinets, 6 drawerseach, to match "Macey's."	Fred S. Lincoln.....	45.75	Finance.
1	1 2-drawer cabinet, dark golden oak, Yawman & Erbe.	Yawman & Erbe Manufacturing Co.	5.50	Salaries and Al- lowances.
16	Linoleum for floor of corridor lead- ing to private elevator, first floor, and pasting whole surface.	W. B. Moses & Sons...	167.00	Corridor, first floor.
May 10	5 strips rubber matting.....	do.....	15.03	Do.
Sept. 23	1 cabinet, 4 drawers, oak.....	Typewriter and Office Supply Co.	5.00	Chief inspector.
Oct. 3	1 quartered-oak filing case.....	Globe-Wernicke Co....	9.00	Salaries and Al- lowances.
4	13 single-pedestal desks, oak, sani- tary type.	do.....	211.25	Rural Mails.
4	9 double-pedestal typewriter desks, oak, sanitary type.	do.....	251.10	Do.
4	13 vertical files, No. 118.....	do.....	104.00	Do.
4	13 vertical file stands, No. 118.....	do.....	65.00	Do.
14	1 oak card-index case, 12 drawers.....	do.....	26.50	Postmasters' Ap- pointments.
20	1 chair, No. 348.....	do.....	7.20	Corridor.
20	1 desk, No. 723.....	do.....	18.50	Messenger, private secretary.
21	3 Globe-Wernicke desk trays.....	do.....	3.00	Foreign Mails.
27	1 quartered-oak card-index cabinet, 2 drawers.	C. E. Richardson.....	2.75	Fourth Assistant Postmaster Gen- eral.
27	1 6-drawer cabinet for index cards.....	do.....	7.00	Finance.
Nov. 19	50 file holders, oak fronts.....	Wm. O. Gottwals.....	15.50	Assistant Attorney General.
Dec. 1	1 card-index cabinet, dark oak fin- ish, 6 drawers.	C. E. Richardson.....	7.00	Chief inspector.
7	2 velvet rugs, 18 by 18 feet.....	Wm. J. Giddings.....	132.50	Do.
7	1 velvet rug, 11 feet 3 inches by 14 feet.	do.....	35.00	Do.
7	1 mahogany-finish sanitary desk, No. 718.	Globe-Wernicke Co....	76.50	Fourth Assistant Postmaster Gen- eral.
7	64 yards body Brussels carpet.....	W. & J. Sloane.....	65.60	Purchasing agent.
7	294 yards border.....	do.....	28.76	Do.
7	93½ yards made and laid.....	do.....		Do.
7	1 oak filing cabinet with 16 drawers..	C. E. Richardson.....	16.00	Registered Mails.
1911. Jan. 12	2 mahogany letter trays.....	Globe-Wernicke Co....	3.14	Fourth Assistant Postmaster Gen- eral.
19	3 sections card cabinets, quartered oak, 6 drawers, "Macey" brand.	Fred S. Lincoln.....	55.25	Finance.
20	1 oak index-card case, 6 drawers.....	Globe-Wernicke Co....	11.00	Money Orders.
28	1 2-drawer Globe-Wernicke card- index cabinet.	do.....	5.00	Museum.

Itemized statement showing the cost of furniture, carpets, and filing devices purchased for the various divisions of the department other than the rooms of the Postmaster General and the chief clerk since Mar. 1, 1910—Continued.

Date.	Articles.	Firm.	Cost.	Division.
1911.				
Feb. 7	2 sections file cabinets, 6 drawers each, "Macey."	Fred S. Lincoln.....	\$18.00	Finance.
9	1 upright vertical filing cabinet, 4 drawers.	Globe-Wernicke Co....	30.00	Chief inspector.
Mar. 1	1 card-index cabinet, 4 drawers.....	Shaw-Walker Co.....	4.96	First Assistant Postmaster General.
22	1 mahogany table, plain, about 26 by 36 inches.	W. B. Moses & Sons..	14.00	Do.
30	1 revolving typewriter chair.....	John Wanamaker.....	3.90	Finance.
31	2 Globe letter trays. oak.....	Globe-Wernicke Co....	2.00	Second Assistant Postmaster General.
Apr. 1	6 rugs to match carpet in private office, chief inspector.	Wm. J. Giddings.....	29.28	Chief inspector.
8	1 No. 723 golden-oak desk.....	Globe-Wernicke Co....	18.50	First Assistant Postmaster General.
8	1 No. 3548 golden-oak chair.....	.....do.....	7.20	Do.
8	1 No. 717 60 by 50 inch mahogany-finish desk.	.....do.....	67.50	Chief inspector.
8	1 No. 2173½ mahogany revolving chair.	.....do.....	18.00	Do.
8	1 No. 3542 mahogany revolving chair, perforated leather.	.....do.....	17.75	Second Assistant Postmaster General.
11	1 1-drawer card cabinet.....	Yawman & Erbe Co..	3.75	Supplies.
20	2 swinging typewriter stands.....	Library Bureau.....	8.70	Foreign Mails.
28	2 Globe desk trays.....	Globe-Wernicke Co....	2.25	Railway Mail Service.
28	1 Globe desk tray.....	.....do.....	1.13	Fourth Assistant Postmaster General.
28	1 No. 235542 golden-oak double desk.	.....do.....	95.00	Railway Mail Service.
28	1 No. 5-P golden-oak revolving chair.	.....do.....	12.00	Rural Mails.
28	4 No. 3529 golden-oak armchairs....	.....do.....	32.00	Do.
	Total.....		1,934.69	

Mr. WEED. The Division of Rural Mails, the Fourth Assistant Postmaster General's office.

Mr. ALEXANDER. That is the superintendent's office?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Division of Rural Mails.

Mr. WEED. Yes; approximately \$500. Office of the Third Assistant Postmaster General, Division of Inspection; Second Assistant Postmaster General's office, Division of Star Contracts; Second Assistant Postmaster General's office, Division of Money Orders; and, may I say, here and there scattered over all the departments, and give you an itemized statement?

Mr. ALEXANDER. Yes; that is all right.

Mr. McCoy. I would like to have that green sheet headed "Exigency supply requisition" marked as an exhibit and put in the record.

(Said paper, marked "Exhibit 15," is as follows:)

EXHIBIT 15.

EXIGENCY SUPPLY REQUISITION.

POST OFFICE DEPARTMENT,

WASHINGTON, D. C.

Requisition No. A-634. Date, June 3, 1910. The purchasing agent for the Post Office Department. To be charged to appropriation for.....

SIR: Please ascertain the price for which the following-described articles may be purchased, and from whom. Delivery to be made to....., Post Office Department, Washington, D. C.:

1 No. 236081 mahogany desk, 72 by 40 inches.

4 special typewriter mahogany desks, 60 by 34 inches.

1 No. 018B mahogany chair.

4 No. 024 mahogany chairs.

The above are those of the Doten-Dunton Desk Co., the Globe-Wernicke Co., Washington, D. C., sole agents.

(Chief clerk.)

Drawn by _____.

Assistant Superintendent of Buildings.

Approved: _____,

Chief Clerk Post Office Department.

(The committee thereupon adjourned to meet Monday, May 29, at 10 o'clock a. m.)

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No. 4

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

**TO INVESTIGATE THE POST OFFICE
DEPARTMENT**

MAY 29 AND 31, 1911



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

EXPENDITURES IN THE POST OFFICE DEPARTMENT

[Committee room, room 293, House Office Building. Telephone 589 Meets on call.]

WILLIAM A. ASHBROOK, of Ohio, *Chairman.*

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, *Clerk*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
Monday, May 29, 1911.

The CHAIRMAN. I desire the record to show that this witness, Mr. T. L. Weed, is recalled.

STATEMENT OF MR. T. L. WEED, CHIEF CLERK OF THE POST OFFICE DEPARTMENT.

Mr. TOWNER. Mr. Weed, you were before the committee last Friday and Saturday, were you not?

Mr. WEED. I was before the committee on Wednesday, Thursday, and Saturday.

Mr. TOWNER. I want to ask you about a matter that I intended to ask you about the other day, but it escaped my mind. Did I understand you to say that the desk in your office cost \$800?

Mr. WEED. No, sir.

Mr. TOWNER. What was your testimony in reference to that?

The CHAIRMAN. If you will permit me, Mr. Towner, I inquired of Mr. Weed whether or not the desk in his own office cost \$800, as it had been reported to me by a post-office employee that the desk had cost that much, and he said it did not.

Mr. TOWNER. Did you state how much it did cost?

Mr. WEED. No, sir.

Mr. TOWNER. Can you state it now?

Mr. WEED. Yes, sir; it cost \$118.

The CHAIRMAN. Mr. Weed, do you have your office in the suite of offices of the Postmaster General, or do you occupy one of the offices adjacent to the Postmaster General?

Mr. WEED. No, sir; my office is a part of the Postmaster General's suite of offices, and includes six rooms.

The CHAIRMAN. And were your offices refurnished at the same time that the offices of the Postmaster General were refurnished?

Mr. WEED. Partially.

The CHAIRMAN. What amount was expended on your own offices at that time?

Mr. WEED. Approximately \$1,200.

The CHAIRMAN. I did not intend to make any further inquiries this morning as to the refurnishing of these offices, and only do so on account of the inquiry made by Mr. Towner.

Mr. TOWNER. I did that for the purpose of clearing up a misapprehension.

The CHAIRMAN. Now, what we wanted this morning was some information as to the establishment of postal savings banks. Will you state when the postal savings bank law went into effect?

Mr. WEED. On June 25, 1910.

The CHAIRMAN. What division of the Post Office Department has charge of its administration?

Mr. WEED. The Postmaster General himself.

The CHAIRMAN. Who is the active head of the postal savings system?

Mr. WEED. I suppose I should say myself, as the secretary to the board of trustees.

The CHAIRMAN. Who determines where the postal savings banks shall be established and where they shall not be established?

Mr. WEED. The Postmaster General himself.

The CHAIRMAN. You, then, act more in a clerical capacity, working under the orders of the Postmaster General and of the board of trustees?

Mr. WEED. Yes, sir.

The CHAIRMAN. How many postal savings banks have already been established?

Mr. WEED. Four hundred.

The CHAIRMAN. That many have been established and are in operation at this time?

Mr. WEED. No, sir; I will have to explain. Four hundred have been designated and will be in operation by June 26; 48 started operating on January 3; 45 on May 1; 43 will start on June 1, and the remaining 264 already designated will start at different periods in June practically one week apart.

The CHAIRMAN. A list of post offices designated as postal savings depositories will be here noted as Exhibit No. 15 and put in the record.

EXHIBIT No. 15.

LIST OF POST OFFICES DESIGNATED AS POSTAL SAVINGS DEPOSITOR.

[Four hundred offices. June 1, 1911.]

Alabama :	California—Continued.	Colorado—Continued.
Anniston.	Grass Valley.	Longmont.
Bessemer.	Martinez.	Loveland.
Ensley.	Monterey.	Monte Vista.
Florence.	Needles.	Salida.
Gadsden.	Nevada City.	Silverton.
Opelika.	Oroville.	Telluride.
Tuscaloosa.	Palo Alto.	Trinidad.
Arizona :	Petaluma.	Connecticut :
Bisbee.	Redding.	Ansonia.
Clifton.	San Luis Obispo.	Bristol.
Douglas.	Santa Cruz.	Glastonbury.
Globe.	Santa Rosa.	South Manchester.
Prescott.	Sonora.	Willimantic.
Yuma.	Tulare.	Winsted.
Arkansas :	Colorado :	Delaware :
Arkadelphia.	Canon City.	Dover.
Conway.	Colorado City.	Florida :
Helena.	Cripple Creek.	Apalachicola.
Mena.	Durango.	Daytona.
Searcy.	Fort Collins.	Fernandina.
Stuttgart.	Golden.	Key West.
Warren.	Grand Junction.	Miami.
California :	Greeley.	Orlando.
Corona.	La Junta.	St. Augustine.
Eureka.	Las Animas.	West Palm Beach.
Hollister.	Leadville.	

Georgia :	Kentucky—Continued.	Missouri—Continued.
Americus.	Hopkinsville.	Carrollton.
Brunswick.	Madisonville.	Carthage.
Cedartown.	Middlesboro.	De Soto.
Gainesville.	Louisiana :	Hannibal.
Hawkinsville.	Alexandria.	Lexington.
Rome.	Bogalusa.	Monett.
Thomasville.	Hammond.	Mexico.
Idaho :	Jennings.	Moberly.
Coeur d'Alene.	Lake Charles.	St. Charles.
Gooding.	New Iberia.	Trenton.
Moscow.	Opelousas.	Montana :
Nampa.	Maine :	Anaconda.
Pocatello.	Auburn.	Bozeman.
Twin Falls.	Biddeford.	Dillon.
Wallace.	Rumford.	Hamilton.
Illinois :	Saco.	Havre.
Belleville.	Waterville.	Kalispell.
Blue Island.	Westbrook.	Lewistown.
Canton.	Maryland :	Livingston.
Collinsville.	Annapolis.	Miles City.
De Kalb.	Bel Air.	Red Lodge.
Harvey.	Frostburg.	Nebraska :
Kewanee.	Havre de Grace.	Alliance.
La Salle.	Salisbury.	Aurora.
Ottawa.	Massachusetts :	Columbus.
Pekin.	Gardner.	Crete.
St. Charles.	Hyde Park.	Holdrege.
Savanna.	Lee.	McCook.
Staunton.	Leominster.	Nebraska City.
Indiana :	Milford.	North Platte.
Alexandria.	Norwood.	Plattsmouth.
Bedford.	Peabody.	Nevada :
Linton.	Rockport.	Carson City.
Gary.	Webster.	Elko.
Indiana Harbor.	Michigan :	Ely.
Michigan City.	Calumet.	Goldfield.
Princeton.	Gladstone.	Tonopah.
Sullivan.	Houghton.	New Hampshire :
Iowa :	Iron Mountain.	Berlin.
Albia.	Ironwood.	Claremont.
Centerville.	Marquette.	Dover.
Colfax.	Negaunee.	Laconia.
Decorah.	Owosso.	Milford.
Harlan.	Sault Ste. Marie.	New Jersey :
Oelwein.	Wyandotte.	Boonton.
Oskaloosa.	Minnesota :	Burlington.
Red Oak.	Bemidji.	Dover.
Sheldon.	Cloquet.	Long Branch.
Spencer.	Crookston.	Rutherford.
Kansas :	Eveleth.	West Hoboken.
Coffeyville.	Hibbing.	New Mexico :
Chanute.	Montevideo.	Carlsbad.
Emporia.	New Ulm.	Clovis.
Fort Leavenworth.	Red Wing.	East Las Vegas.
Independence.	St. Cloud.	Raton.
Junction City.	Virginia.	Roswell.
Lindsborg.	Mississippi :	Santa Fe.
Manhattan.	Biloxi.	Silver City.
Osage City.	Brookhaven.	Tucumcari.
Parsons.	Clarksdale.	New York :
Pittsburg.	Corinth.	Cohoes.
Kentucky :	Greenville.	Dunkirk.
Bowling Green.	Grenada.	Hempstead.
Catlettsburg.	Gulfport.	Herkimer.
Frankfort.	Natchez.	Mamaroneck.
Georgetown.	Missouri :	North Tonawanda.
Henderson.	Cape Girardeau.	

New York—Continued.	Pennsylvania—Continued.	Utah—Continued.
New Brighton.	Brownsville.	Provo.
Rosebank.	Connellsville.	Vermont:
Salamanca.	Dubois.	Barre.
Watervliet.	Homestead.	Montpelier.
Watkins.	Irwin.	Newport.
North Carolina:	Johnsonburg.	Proctor.
Concord.	Leechburg.	St. Johnsbury.
Elizabeth City.	Minersville.	Virginia.
Goldsboro.	Monessen.	Alexandria.
High Point.	New Kensington.	Clifton Forge.
Rocky Mount.	Ridgeway.	Fredericksburg.
Salisbury.	Shenandoah.	Pulaski.
North Dakota:	Steelton.	Staunton.
Carrington.	Vandergrift.	Suffolk.
Devils Lake.	Rhode Island:	Warrenton.
Dickinson.	Bristol:	Washington:
Grafton.	East Greenwich.	Aberdeen.
Wahpeton.	Westerly.	Anacortes.
Williston.	South Carolina:	Bremerton.
Mandan.	Anderson.	Chehalis.
Valley City.	Darlington.	Ellensburg.
Ohio:	Georgetown.	Hoquiam.
Ashtabula.	Laurens.	Montesano.
Barberton.	Newberry.	Mount Vernon.
Bellaire.	Orangeburg.	Olympia.
Canal Dover.	Rockhill.	Port Townsend.
Conneaut.	Sumter.	South Bend.
Crestline.	South Dakota:	Vancouver.
Geneva.	Brookings.	Wenatchee.
Leetonia.	Canton.	West Virginia:
Niles.	Dallas.	Grafton.
Oklahoma:	Deadwood.	Keyser.
Ardmore.	Lead.	Mannington.
Bartlesville.	Lemmon.	Martinsburg.
El Reno.	Yankton.	Wellsburg.
Guymon.	Tennessee:	Wisconsin:
Lawton.	Brownsville.	Antigo.
Okmulgee.	Clarksville.	Ashland.
Shawnee.	Covington.	Beaver Dam.
Sapulpa.	Dyersburg.	Chippewa Falls.
Wagoner.	Humboldt.	Cudahy.
Oregon:	Jellico.	Hartford.
Astoria.	Johnson City.	Manitowoc.
Baker City.	Murfreesboro.	Merrill.
Eugene.	Tullahoma.	Rhineland.
Grants Pass.	Texas:	Stoughton.
Klamath Falls.	Brenham.	Tomahawk.
La Grande.	Del Rio.	Wauwatosa.
Hood River.	Georgetown.	Wyoming:
Marshfield.	Nacogdoches.	Evanston.
McMinville.	Port Arthur.	Douglas.
Medford.	San Angelo.	Laramie.
Oregon City.	Temple.	Rawlins.
Pendleton.	Victoria.	Rock Springs.
The Dalles.	Utah:	Sheridan.
Pennsylvania:	Bingham Canyon.	
Berwick.	Logan.	

The CHAIRMAN. About how many applications are on file for the establishment of postal savings depositories that have not yet been ordered established?

Mr. WEED. Do you mean applications from postmasters?

The CHAIRMAN. Yes.

Mr. WEED. Possibly 400.

Mr. McCoy. In addition to these?

Mr. WEED. Yes, sir; in addition to these.

The CHAIRMAN. Now, Mr. Weed, I believe if you will state as briefly as you can the present system as to the establishment and operation of the postal savings banks it will facilitate the examination and assist the committee also.

Mr. WEED. The Postmaster General personally selects the offices, which thus far have been confined to the second class. During the experimental stage preference is given to the small towns where there is a large foreign population, a large working class, and a large international money-order business. A large number of elements enters into the selection of each office, and I should like to include as an exhibit the question sheet asked of each postmaster, and the statement compiled and submitted to the Postmaster General before selection is made.

(The papers referred to, marked as Exhibits No. 15a and 15b, were admitted to the record, and are as follows:)

EXHIBIT No. 15a.

POST OFFICE DEPARTMENT—OFFICE OF THE POSTMASTER GENERAL.

WASHINGTON.

Postmaster-----

SIR: You are requested to furnish the following information for use in selecting post offices at which to receive postal savings deposits. Indicate your replies in the spaces provided and promptly return this letter to the Postmaster General in the inclosed envelope.

Respectfully,

FRANK H. HITCHCOCK,
Postmaster General.

1. Gross receipts at your office for the year ended March 31, 1911: -----
2. (a) Number and (b) value of international money orders issued at your office during the year ended March 31, 1911: (a)----- (b)-----
3. Percentage of foreign born in your city's population, and the principal nationalities: -----
4. The principal industries giving employment to the laboring classes in your city, and about how many are employed in each: -----
5. The number of banks in your city: -----
6. The number (a) of savings banks and (b) of other banks receiving savings deposits: (a)----- (b)-----
7. Is there a demand for postal savings in your city? -----

Postmaster.

Date-----

EXHIBIT No. 15b.

The CHAIRMAN. I note from the application blank that the postmaster must first furnish you the information called for in this blank, and then is congressional recommendation required before the establishment of the bank?

Mr. WEED. No, sir.

The CHAIRMAN. I notice here one blank for congressional recommendation. What is the reason for that, if it is not required?

Mr. WEED. Because of the fact that a large number of Congressmen and Senators have called at the department, on both the Postmaster General and myself, and in order to have all the facts that could apply to any one office of record that column was inserted.

The CHAIRMAN. These offices, then, are established without regard to the recommendations of Members of Congress?

Mr. WEED. Absolutely.

The CHAIRMAN. You may proceed, Mr. Weed, with your statement.

Mr. WEED. I should like to say that very frequently, where postmasters apply—confining my statement to second-class offices only, of course, all others being omitted—where the postmaster applies for designation, that carries most weight with the Postmaster General, provided his rating is good; that the foreign population and international money orders make a respectable showing, and that there is a demand in the vicinity for postal savings banks. I should like to emphasize that statement by adding that where our column shows no demand in the town we make no designation, whether the postmaster has applied or whether there has been a congressional recommendation.

The CHAIRMAN. Does the number of banks in a town have anything to do with your determination of whether or not a postal savings bank should be established there? That is to say, if there are a number of savings banks and other financial institutions in the town, or at least as many as a town of its importance would seem to warrant, would you then be less likely to establish a postal savings bank?

Mr. WEED. Yes, sir; less likely.

Mr. McCoy. I would like to ask one or two questions. Referring, Mr. Weed, to Exhibit No. 16, which calls for a statement of the number and value of the international money orders issued, and also of the percentage of foreign-born population within the range of the post office, what is the object of these two questions, aside from getting information; or, to put it this way, how do you or the Postmaster General determine one way or the other in the matter of the establishment of these banks according to the answers to these two questions?

Mr. WEED. Last year the international money-order business of the Post Office Department amounted to the tremendous sum of approximately \$100,000,000. In addition to that—

Mr. McCoy (interposing). Do you mean by that that the amount sent out of this country in the form of money orders amounted to \$100,000,000?

Mr. WEED. Exactly. In addition to that, we know the express companies sent abroad enough more to bring the grand total of money transmitted to foreign countries up to \$200,000,000 annually.

The CHAIRMAN. Have you any information as to the amount that was sent to foreign countries through the banks, independent of the post-office money orders and the express companies?

Mr. WEED. No, sir.

Mr. McCoy. Now, my question was, How do the answers to these two questions determine, if at all, the policy of the Postmaster General in establishing these postal savings banks?

Mr. WEED. It is generally believed that a large percentage of this money sent abroad finds its way into foreign postal savings banks, and, naturally, the Postmaster General desires to retain as much of that money in this country as possible; and for that reason, perhaps, all things being equal, more attention is given to the answers to these two questions than to anything else.

Mr. McCoy. In other words, other things being equal, if the reply to these questions shows in a given post office a larger percentage of international outgoing money orders and a larger percentage of foreign-born population, it is the policy of the Postmaster General to be inclined to establish banks there rather than in a locality where there are fewer international money orders in amount and a smaller number of foreign population?

Mr. WEED. Yes, sir.

Mr. McCoy. On the theory that a large part of the money sent abroad is sent there because of the greater security which the remitters assume they have in depositing in Government post-office savings departments, as contrasted with the private savings banks in this country?

Mr. WEED. Yes, sir.

The CHAIRMAN. Mr. Weed, how does the Postmaster General reach the conclusion that a large percentage of the money sent out of this country into foreign countries, through international post-office money orders, finds its way into the postal savings banks of foreign countries?

Mr. WEED. We know that it is the practice among foreigners in this country to purchase a large number of money orders, which they keep on their person from year to year, because of their fear to deposit in our savings banks, many of whom have told the postmasters repeatedly that they would like to deposit these funds in a postal savings bank if there were any in this country. They have also told of friends who have sent their money abroad to be deposited in savings banks. We felt sure that they had faith in the security of postal savings banks in their old countries and would have the same faith here in a Government institution if there were one.

Mr. McCoy. Is it the practice of those who obtain our international money orders to make them payable to themselves, or to some individual in a foreign country, or to a postal savings bank in a foreign country? Is there any record by which you can tell?

Mr. WEED. An answer might be given to all three of your questions, but it would be a very difficult thing to furnish the exact information. We issue, I think, 4,000,000 money orders a year.

Mr. McCoy. Has the record of the postal savings bank or banks already established been sufficient to enable the Postmaster General or any one else to draw a conclusion as to whether or not money is being sent abroad in smaller quantities now than before the establishment of the postal savings banks?

The CHAIRMAN. Where these banks have been established.

Mr. WEED. Not yet; it would require a complete year's operation to answer that question.

The CHAIRMAN. I notice here in this green application blank, Exhibit No. 15a, the seventh inquiry reads as follows: "Is there a demand for postal savings in your city?" Is any other inquiry made except of the postmaster for this information?

Mr. WEED. No, sir.

The CHAIRMAN. You accept, then, the statement of the postmaster and the record of the office as sufficient evidence to decide that question, do you?

Mr. WEED. Yes, sir; but I would like to make this further brief explanation: If the postmaster's rating is good, if the international money-order business is large, the foreign-born population of some proportions, the number of savings banks in the town negative, and the postmaster states that there is no demand for postal savings, we promptly write a letter to him, inviting his attention to these very facts I have cited, and direct him—if he has not done so—to go among the employers of the foreign element and among the foreigners themselves and to ascertain if there is not a demand.

The CHAIRMAN. Do you send these blanks broadcast or only to such offices as make application?

Mr. WEED. Broadcast. These blanks were sent to every second-class postmaster in the United States.

Mr. McCoy. Can you tell how many of the postal savings banks have already been established?

Mr. WEED. Four hundred have been designated and 93 are in actual operation.

The CHAIRMAN. It is the policy of the Post Office Department, is it not, to further as much as possible the establishment of these postal savings banks in all second-class offices?

Mr. WEED. Absolutely. Mr. Ashbrook, I may say that the Postmaster General decided some time ago, and has carried out his decision, to establish 100 offices a week in all second-class offices until all second-class offices with good ratings are designated, and to begin on July 1 to designate first-class offices.

Mr. McCoy. What do you mean by good ratings? What determines a good rating for second-class postmasters?

Mr. WEED. The same rating would apply with some variation to other postmasters. At frequent periods during each and every year inspectors visit the post offices and the entire establishment is immediately turned over to the inspector. He is given possession of the cash drawer, of books, stamps, and records, and he carefully checks all their fiscal affairs. If a complaint has been made of pernicious political activity, as has been the case of course, they look into that question. In fact, if any questions have been made as to the postmaster, they cover the situation fully and submit their report finally to the Post Office Department.

Mr. McCoy. In other words, a good rating, for the purpose of determining whether to establish a postal savings bank, means a good rating as to the running of a post office from a banking point of view?

Mr. WEED. Absolutely.

Mr. McCoy. And the efficiency of the postmaster and the running of his office properly?

Mr. WEED. Yes, sir.

Mr. McCoy. In determining whether or not to establish a postal savings bank at a given place, is the standing of the ordinary savings bank or banks in that community examined into in any way?

Mr. WEED. That requires a little statement. Under the law any State or national bank, subject to either State or national supervision, may be selected as a postal savings depository. You understand that at the end of each day's business the postmaster is required to deposit in bank the proceeds of that day. Before any bank, either State or national, can be selected, it must apply for designation and submit bonds to the Treasurer of the United States in excess of the amount of the postal savings funds that particular bank desires. These bonds must conform to certain regulations prescribed by the board of trustees. We have divided the bonds into three classes, the Government bonds, of course, being accepted at par value, but as you go on down from State, county, municipal, to school bonds, certain more stringent rules apply. For instance, municipal bonds must have a clear record of 10 years of interest payment, and are only accepted at 75 per cent of their market value.

Mr. McCoy. Is there any inquiry made before determining to establish a postal savings bank in a given locality as to the financial standing of the regular savings banks already established in a given locality?

Mr. WEED. No, sir.

The CHAIRMAN. Well then, do I understand that where the record of the postmaster is not good; that is, where he has not been given a clean bill by the inspector, even though the demand on the part of the patrons of the office for the establishment of a postal savings bank is great, the request is denied, and the postmaster is continued in office to the detriment and denial of the patrons of the office?

Mr. WEED. Well, there are two or three answers to that question. If you split it up—

The CHAIRMAN. I will do so; then, I understand that where the record of the postmaster is not good, the application for the establishment of a postal savings bank is denied?

Mr. WEED. Yes, sir.

The CHAIRMAN. And the postmaster is continued in office regardless of the fact that his record is not good?

Mr. WEED. No, sir; where the record of the postmaster is not good another situation enters into it which is not related to the postal savings bank. It then goes into the jurisdiction of the First Assistant Postmaster General.

The CHAIRMAN. How many postmasters do you think have been dismissed when a good report has not been made by the inspectors?

Mr. WEED. I am not prepared on that subject.

The CHAIRMAN. Do you think that a very considerable per cent of them are dismissed when the report does not come back good from the inspector?

Mr. WEED. Yes, sir.

The CHAIRMAN. The inquiry I want to make of you is this—whether when the record of the postmaster is not good, that even though the patrons of that office were anxious for the establishment of a postal savings bank, that their requests were denied on account

of the record of the postmaster, and they, therefore, were compelled to suffer as a result of the record of the postmaster?

Mr. WEED. The Postmaster General directed me not longer than three weeks ago, in a case of that kind, to have the inspector make another and immediate report, looking to a recommendation for the removal of that inefficient postmaster in order that the people could have postal savings where they wanted it if the facts justified such action.

Mr. McCoy. Has there been any such removal in connection with an investigation with reference to postal savings banks? Has there been any actual case of removal yet?

Mr. WEED. No, sir.

The CHAIRMAN. As one instance—and, of course, my information is very limited—I sent to your office a few days ago for the papers in the case of the postmaster at Walsenburg, Colo.

Mr. WEED. Yes, sir.

The CHAIRMAN. In that particular case, numerous complaints had been made against the postmaster and the matter had been referred to the inspector. The inspector had gone there and made a thorough and careful investigation and had reported to the department that the charges were warranted and well founded, and that the postmaster should be dismissed. This evidence was referred to a Senator from that State, and he recommended that the postmaster be given a reprimand and continued in office, and the recommendations of the Senator, and not of the inspector, were followed by the Postmaster General. In other words, that postmaster was continued in office, regardless of the fact that the post-office inspector recommended that he be dismissed. Now, then, if there was a general demand for a postal savings bank at Walsenburg, Colo., and I understand that it is a mining town with a very large percentage of foreigners living there, it would be impossible for them to secure a postal savings bank, simply because the department continues in office this postmaster.

Mr. McCoy. Do you know whether there has been an application from that office for the establishment of a postal savings bank?

Mr. WEED. No application for the designation of his post office as a postal savings depository has been received from the postmaster at Walsenburg, Colo.

Mr. TOWNER. Now, Mr. Weed, in this postal-savings department of the Post Office Department—I do not know exactly what term it is best to use.

Mr. WEED. Postal Savings System is the proper designation.

Mr. TOWNER. The matter is, as I understand it, regarded by the department as largely experimental?

Mr. WEED. Yes, sir.

Mr. TOWNER. And the department has been moving with caution for the purpose of determining as well as they could the necessities of the communities and the proper method of adjustment between the department and the people with regard to this specific service, and especially with regard to the formulation of plans and a general system that might make it operative and efficient; is not that true?

Mr. WEED. Yes, sir.

Mr. TOWNER. I understand, though, that the establishment of the few offices that were first established was not determinative of the policy of the department, but was, on the contrary, merely the

establishment of experimental stations for the purpose of testing out some of the ideas of establishment and the proper method of procedure. Is not that true?

Mr. WEED. Exactly.

Mr. TOWNER. Have the returns and information that you have received from those already established aided the department in the establishment of a general scheme for this system?

Mr. WEED. Materially.

Mr. TOWNER. Have some of your methods been changed on account of the experience derived from the establishment of these few experimental stations?

Mr. WEED. Some few; yes, sir.

Mr. TOWNER. As I understand you, it is the policy of the Government or of the department to extend this service as generally as possible, even to the extent of endeavoring to have every second-class post office in the United States adopt it?

Mr. WEED. Yes, sir.

Mr. TOWNER. Has there been on the part of the department any feeling or methods looking to favoritism in the establishment of these postal savings banks?

Mr. WEED. Absolutely not.

Mr. TOWNER. I believe you stated that you had sent to every second-class postmaster in the United States the form of blank containing certain inquiries; that is, the blank marked "Exhibit No. 15a." I understand you to say that you have sent that blank to every second-class postmaster in the United States.

Mr. WEED. Yes, sir.

Mr. TOWNER. And upon the preliminary return from these applications the department is to some extent proceeding in the department of postal savings banks? I do not know what better term to call that by.

Mr. WEED. The word "bank" was not referred to in the organic act, and they are called "postal savings depositories."

Mr. TOWNER. If I understand you, Mr. Weed, there is to be a large extension of the service, especially at the beginning of the next fiscal year?

Mr. WEED. Yes, sir.

Mr. TOWNER. Did you state in your testimony in chief the number of new postal savings banks that were to be established at that time?

Mr. WEED. I said that at the present time the Postmaster General is designating 100 new offices a week of the second class, and that beginning on July 1 he begins the designation of offices of the first class, of course continuing the second-class offices until they become exhausted, which should be within a month from now.

Mr. TOWNER. Is there any particular method used by the department as to the order of the establishment of these offices?

Mr. WEED. No, sir; if I understand your question correctly.

Mr. TOWNER. That is, would it be based upon territorial grounds or upon those that seem to have the most pressing demand, or what, if any, grounds would be operative in determining which should be established first?

Mr. WEED. Very largely the rating of the postmaster, the demand for postal savings depositories in a particular locality, the international money-order business, and the percentage of foreign-born population living in the locality.

Mr. TOWNER. I think you stated in your examination in chief that the postmaster's own desire or application, perhaps urgent, we will say, was more potent with the department than almost anything else?

Mr. WEED. Yes, sir.

Mr. TOWNER. Will you please state the grounds or reasons why that is true, Mr. Weed?

Mr. WEED. Because from our experience during the past four months the fact has developed that only the most efficient postmasters are looking for more trouble. In other words, we have developed the fact that those postmasters who apply for postal savings, and thereby express their entire willingness, without additional compensation, to increase the burden of their duty, uniformly have good or excellent ratings, and usually give voice to the fact that there is a demand in their locality for postal savings.

Mr. TOWNER. I believe that that list of offices which you have furnished the committee and which has been marked "Exhibit No. 15" is approximately the number of offices already established, to the present date?

Mr. WEED. Yes, sir.

Mr. TOWNER. That amounts to 400, does it not?

Mr. WEED. Yes, sir. I may say that these postmasters are under a course of instruction.

Mr. TOWNER. As I understand it, only what might be called the experimental stations have been actually established and are now actually in operation?

Mr. WEED. Yes, sir.

Mr. TOWNER. Can you give the number of those, approximately?

Mr. WEED. Ninety-three.

Mr. TOWNER. And the other of the offices that are mentioned in Exhibit No. 15 have been already determined upon as postal savings depositories?

Mr. WEED. Yes, sir.

Mr. TOWNER. And they are now being furnished by the department with instructions and with everything that is necessary for their establishment, it being the expectation that they will go into actual operation in July or June?

Mr. WEED. Yes, sir.

Mr. TOWNER. In June?

Mr. WEED. Yes, sir. May I say that when the Postmaster General designates a batch of 50 offices, these 50 offices are, as nearly as possible, spread over the entire United States, one in each State and Territory, with some very few exceptions. One month, or 30 days, rather, is allowed the postmaster and the clerks as a period of instruction. You appreciate that there are some difficulties in the way of establishing a banking system.

The CHAIRMAN. Will you inform the committee who gives these instructions?

Mr. WEED. The Postmaster General.

The CHAIRMAN. In what way?

Mr. WEED. By letter.

The CHAIRMAN. Are no special representatives sent to the post offices for the purpose of instructing the postmasters?

Mr. WEED. In the beginning we picked out the postmasters who had made the finest record for efficiency, and postmasters subse-

quently designated were instructed to visit this efficient postmaster for two days to receive instructions, of course care being exercised to limit the travel. In other words, we send the postmasters now being selected to the nearest efficient postmaster whether he happens to be in his own or some State. The Postmaster General has also directed the inspectors in charge of the various divisions of the United States to attend the opening of every postal savings depository, and that plan has been and will be followed in every State and on every occasion when a bank is opened, the inspector in turn reporting to the department. We have now a large file of reports on the subject. It is the intention, just as soon as these inspectors become sufficiently expert, to send them to the newly designated offices to instruct the postmasters.

The CHAIRMAN. The expense of the postmaster is paid by the Government when he is sent to another office to receive instruction?

Mr. WEED. Yes, sir.

Mr. TOWNER. These preliminary inquiries regarding Exhibits Nos. 16 and 17, together with the answers that you receive, have they been used and are they still to be used for the purpose of determining whether in each case these postal savings depositories shall be established?

Mr. WEED. Yes, sir.

Mr. TOWNER. It is not then expected that it will be determinative against any second or first class post office that the things referred to here shall not perhaps be all as favorably reported as might be desired?

Mr. WEED. No, sir.

Mr. TOWNER. But that only has reference to the order in which they shall be established?

Mr. WEED. Yes, sir.

Mr. TOWNER. If it should be determined by the department, upon the returns made, that the rating of the postmaster was such as not to warrant the establishment of a postal savings depository, what would be the policy of the Government or the department in such a case?

Mr. WEED. To direct the inspector to investigate the postmaster and the conditions at his office.

Mr. TOWNER. Of course, the question is based on the assumption that you have already determined from the reports of the inspector that he has not such a rating as would warrant the establishment of the postal savings bank. What would be the policy of the department in such a case?

Mr. WEED. To remove the postmaster.

Mr. TOWNER. In other words, Mr. Weed, this establishes a new work, and new and additional qualifications are required of the postmasters in first and second class offices; is not that true?

Mr. WEED. Yes, sir.

Mr. TOWNER. And regardless of political considerations, it would be the policy of the department to see that these offices are filled with postmasters who are, at least, sufficiently efficient to take care of this added burden?

Mr. WEED. Absolutely.

Mr. TOWNER. I think you stated to the committee that annually \$100,000,000 were sent from this country in international money-order business; am I not correct about that?

Mr. WEED. Yes, sir.

Mr. TOWNER. Now, I think you stated that that was important in the consideration of the desirability of establishing these postal savings depositories, for the reason that large amounts of this money sent abroad, by the working men principally of the United States of foreign birth or exaction, was sent abroad for deposit in either their Government institutions for such purposes or in the savings depositories of their own country?

Mr. WEED. Yes, sir.

Mr. TOWNER. Now, is it not true that special investigations have been made by the immigration department, as well as your own department, which have established these facts quite conclusively?

Mr. WEED. Yes, sir.

Mr. TOWNER. And are not these facts available in the reports that have been obtained from the consular and other services and departments of the Government?

Mr. WEED. Yes, sir.

Mr. MCCOY. Can you furnish the committee with this information?

Mr. WEED. Yes, sir.

Mr. TOWNER. Something was said to you about the Walsenburg, Colo., case, Mr. Weed, and I think you stated, did you not, that you had no personal knowledge of that case?

Mr. WEED. Yes, sir.

Mr. TOWNER. If it should be determined after the evidence was finally submitted that this postmaster was inefficient in his duties, regardless of the interests of his patrons as a whole, and only seemed desirous of keeping the good will of the dominant political faction of the State or of the ring which controls the politics of his own county, and there was an application for the establishment of a postal savings depository in that town, what would be the policy of the department with regard to such a case?

Mr. WEED. I have no hesitancy in saying that I think he would be removed from office.

The CHAIRMAN. Of course, I know nothing of the case. You gave me a statement from the records on file in the Postmaster General's office, wherein it appeared that the post office inspector inspected the office and examined into the complaints, and recommended that the postmaster be dismissed. It appears that it was referred to the Senator from that State, who recommended back to the Postmaster General that the postmaster be given a reprimand and retained in office.

Mr. TOWNER. I think it hardly fair to say that he stated he should be continued in office.

Mr. WEED. May I make this statement, which may have a bearing on a case of that nature? The proper conduct of a post office, with its many services—the registry service, city delivery, rural delivery, and star contract service, is difficult to acquire. It is barely possible that a number of postmasters, who have partly acquired the knowledge of the conduct of a post office and who have come in imbued with the idea that it is a political office, might be described as in a sense inefficient; but when they are sharply reprimanded and told that, under this administration at least—and I am referring to the administration of the Post Office Department by Postmaster General Hitchcock and President Taft—they are expected to be efficient and con-

duct their business properly, and they will be given one more trial to do so, they may come up to the proper standard, as any other man might when put on probation; and I have no hesitancy in saying that, after a second warning, if they do not come up to the mark, there will be but one result—dismissal.

Mr. McCoy. Mr. Weed, what is the policy formulated by the Postmaster General in regard to establishing postal savings depositories in third and fourth class offices? Take the third class first and the fourth class afterwards.

Mr. WEED. I will explain that, Mr. McCoy. There are 50,000 money-order offices in the United States out of a grand total of 60,000 post offices of the four classes. It is the Postmaster General's intention, as rapidly as good administration warrants, to extend the postal savings system to every one of those 50,000 money-order offices. There is a certain striking similarity between the conduct of a money-order office and a postal savings depository, which would seem to make such extension of the system desirable. We have, as you know, more than 50,000 fourth-class offices, where many of the postmasters are employed at a merely nominal compensation—some of them not earning \$50 a year—who simply conduct the post-office business as an adjunct to a general merchandise store in the mountains or the back woods. Of course, it would be a dangerous precedent to establish, to go into, any such office where the postmaster, as I say, has not much more than a mere country establishment, with no money-order business, no safeguards, and probably no demand in his locality for a postal savings depository.

Mr. McCoy. Excuse me just a moment. These 50,000 fourth-class offices of which you speak, are they all nonmoney-order offices, or do some of them do a money-order business?

Mr. WEED. Many of them do.

Mr. TOWNER. But, as I understand you, Mr. Weed, it is the policy of the department to extend it—and they have the right to do that under the provisions of the law—to all money-order offices?

Mr. WEED. Yes, sir.

Mr. TOWNER. So that all of the fourth-class offices that do a money-order business would be eligible, at least, to the establishment of postal savings depositories?

Mr. WEED. Yes, sir.

Mr. TOWNER. I can see that perhaps a very small office in remote regions, and especially offices distant from banking opportunities and privileges, even if they were of a very small nature and character, that the deposit system might be added to such a post office.

Mr. WEED. It is possible, under favorable conditions.

The CHAIRMAN. Let me inquire just here, Mr. Weed. It is not the intention of the Post Office Department to compel postmasters to establish these depositories where there is indifference on their part or no demand for them. In other words, if the postmaster does not want the depository and his people make no demand, independent of the postmaster, no attempt will be made to compel the establishment of a depository in offices of that kind?

Mr. WEED. Certainly not in the beginning, Mr. Chairman.

The CHAIRMAN. Well, do you anticipate that it will be compulsory; that all first, second, and third class offices, and later all money-order offices shall be compelled to establish depositories in their offices.

Mr. WEED. Of course that is a question of policy which has not yet been settled. But I think that the Postmaster General would not make the establishment compulsory if there was no demand for it on the part of the people or on the part of the postmaster, and the facts in the case did not indicate that they were both wrong in reaching that conclusion. It is merely a business principle. We are applying the most up-to-date business methods to every branch of the system.

Mr. McCoy. Approximately, how many third-class offices are there?

Mr. WEED. I think 6,000 offices.

Mr. McCoy. Are they all money-order offices?

Mr. WEED. Yes, sir.

Mr. McCoy. Are the postmasters who manage those offices, generally speaking, paid a substantial salary as compared with the fourth-class postmaster?

Mr. WEED. Yes, sir; the salary is, by law, based on the receipts of the office.

Mr. McCoy. And you say those are substantial, all money-order offices, or are they all money-order offices?

Mr. WEED. They are; all.

Mr. McCoy. What was the reason why the Postmaster General did not begin with those offices instead of with the second class?

Mr. WEED. Because prudence in establishing this new and untried banking system dictated that we not go into the larger communities in the beginning. And on the other hand, we did not want to go into the very small communities where the results would be negative. Therefore, the Postmaster General selected the second-class offices because many of them were thriving little towns, say, from five to eight or nine or ten thousand inhabitants, where industries prevailed and a foreign population existed.

Mr. McCoy. Was not one of the motive which led to the passage of the act, if you can answer such a question, that places not having good banking facilities might be furnished with such facilities under the terms of this act?

Mr. WEED. I think so.

Mr. McCoy. Was not that one of the principal motives, rather than to merely go into a banking business?

Mr. WEED. I think that could be admitted. I will say "yes."

Mr. McCoy. How about rural routes; that is, rural free delivery routes? Is any method devised by which people on such routes can make use of the system?

Mr. WEED. Not yet, Mr. McCoy, but when the system is well established and we have straightened out, you might say, all the kinks, it is our intention to extend it to the rural routes, if it is possible to do so.

Mr. TOWNER. No rural-route patron is excluded from depositing, if he wants to, the same as anybody else who wants to?

Mr. WEED. In the preliminary stages; yes.

Mr. McCoy. But any man living on a rural route can go to any of the depositories and make a deposit?

Mr. WEED. Oh, yes; any patron of the office may go there and make a deposit, but the rural carrier may not at the present time bring it in.

Mr. McCoy. And it makes no difference whether he is a patron of the office or not? For instance, I could go over here to Alexandria and make a deposit, could I not?

Mr. WEED. No, sir.

Mr. McCoy. It is only a resident of the district in which the post office's activities extend?

Mr. WEED. Yes, sir; a patron of the office. If it would be interesting, without putting it in the record, I would like to tell you why that is.

Mr. McCoy. Let us have it in the record.

Mr. WEED. It is unique. The postal savings system exists in 48 foreign countries. The first one was established in Great Britain in 1861. They all, without exception, use the old pass-book system, with this result, that in Great Britain, with its many offices, and in Austria also, they employ a force of bookkeepers, numbering from 2,000 to 3,000; you can see at what a tremendous expense to the Government; and in most instances the annual operations do show a loss to the Government. The committee designated by the board of trustees to draw up a plan of operation in this country recommended the pass-book system. They stated that they had visited a number of banks and offices, and they could not see anything else but the pass-book system. Mr. Hitchcock himself discarded the idea because of the enormity of the thing.

Mr. McCoy. On account of the enormity of the expense?

Mr. WEED. On account of the enormity of the expense. He could not employ 4,000 bookkeepers in Washington to run 50,000 offices in the United States; and suggested this certificate of deposit [indicating].

Mr. ALEXANDER. Some firm of attorneys over in Virginia, I think, got up a pass book or form of certificate very much like that.

Mr. WEED. No; it is quite dissimilar. But under this system not a pass book is used, nor is an individual account kept here in Washington, and, of course, the number of bookkeepers is reduced to the minimum—a half a dozen bookkeepers for carrying on the business of the entire system. Of course, we had to establish certain safeguards in the absence of the pass books, and therefore these certificates of deposit are made nonnegotiable and nontransferrable; and in order that they can not be lost or stolen or destroyed and the owner suffer thereby, we made it a regulation that the depositor must apply in person for the certificate. He purchases it in any denomination. We have them running up to \$100, which is the maximum deposit that may be deposited in one month by any one individual. He purchases the certificate and the postmaster writes his name on that certificate. Then the depositor signs his name to a duplicate, which is placed in the records of the post office. You will see the duplicate there. It is the second sheet. Now, the depositor can not withdraw that money except in the case of death or illness, and, of course, we

have a form provided for those purposes, unless he comes in person to the post office and indorses his name on the back of his original certificate. The postmaster then compares that indorsement with the signature on file; or, in other words, he follows out practically the lines laid down in the money-order system, and if the signatures do not correspond he is expected to satisfy himself as to the genuineness of the signature before he pays over the money. We hold him to a strict responsibility. He is bonded, and if he pays out money erroneously he suffers. And now I can answer your question; that is why, in the beginning of this new and untried system, which I am glad to say has been most successful, we restrict the business to the patrons of the office, because we think in most cases the postmasters know the patrons, and if they do not they can easily get acquainted with them.

Mr. McCoy. I would like to ask whether any place designated on Exhibit 16 is without a regular savings bank or bank or trust company, or other place for depositing money, as a matter of business?

Mr. Weed. I think not.

Mr. McCoy. How many of the places on Exhibit 16 are without regular savings banks?

Mr. Weed. Approximately 50 per cent.

Mr. McCoy. Will you submit a list at the next hearing showing accurately how many of them are without savings banks?

Mr. Weed. Yes, sir.

Mr. McCoy. I would like to ask further, Mr. Weed, that you ascertain, if possible, from your records and submit, as you say you will, a statement showing how many of the places not only have no savings banks distinctively, or no banks or trust companies which do a savings-bank business. I believe there are certain concerns; and a bank will do a savings-bank business, and that business is managed separately entirely.

Mr. Weed. I may not be able to furnish you that information this afternoon, and it might be rather difficult to obtain. You see, that is getting down to an analysis of the situation in these little towns, and we have not had time to go into that. I only have the record as to these particular questions, and my answer would be based on the information on these sheets.

Mr. McCoy. My object in asking the question is to find out how far these depositories have been established in places where there are no facilities of a savings-bank nature already in existence; just as a matter of general information.

Mr. Weed. Well, that might involve taking it up by correspondence with each postmaster, but I will be glad to get the information for you if you desire it. I would invite your attention to question 6 on the green sheet, Exhibit No. 17, which asks, first, the number of savings banks and, second, the number of other banks receiving savings deposits.

Mr. McCoy. That covers my question. The information is there?

Mr. Weed. Yes.

Mr. McCoy. You stated some time back that, from the information and experience already obtained and had, the Postmaster General had changed some of the methods of conducting the business of the postal savings banks. Will you explain what you meant by that?

Mr. WEED. May I submit it as a statement?

Mr. McCoy. Yes; I simply want to know what you had in mind.

Mr. WEED. I would like to submit it in the form of a statement, so that I can go down and look over the system. There are a lot of little things, but none of them, perhaps, of any importance.

Mr. McCoy. I did not know but what there may have been some important changes.

Mr. WEED. No, not many; merely technical matters.

Mr. McCoy. Merely matters of detail?

Mr. WEED. Yes.

Mr. McCoy. Merely matters of detail, rather than matters affecting the general policy of the establishment of depositories and the management of the business?

Mr. WEED. Yes, sir; entirely of detail.

Mr. McCoy. Then I am not interested in that.

The CHAIRMAN. Mr. Weed, will you state the maximum salary paid to presidential postmasters?

Mr. WEED. Yes; \$8,000 is the maximum. I think only three receive that—three or four, Chicago, New York, Philadelphia, and, possibly, Boston.

The CHAIRMAN. Define, if you will, the difference in the classification of first, second, and third class post offices.

Mr. WEED. The difference in classification is one entirely dependent on receipts of office, which is required by law, the law providing that if receipts of a particular office reach a certain sum it shall be considered a third-class office, and the postmaster receives such and such compensation, which compensation increases with increased receipts of office, and so you get into the second class, and finally into the first class. I think the minimum salary of a first-class postmaster is \$3,000, and it increases at the rate of \$1,000 a year until it reaches \$6,000, the maximum, based entirely on the receipts of his office. The three cases cited to you are exceptional ones—the three cases where the postmasters receive \$8,000. I think that is the result of a special act of Congress.

The CHAIRMAN. The maximum salary, then, is \$8,000. What is the minimum salary of an office when it becomes presidential, or third class?

Mr. WEED. One thousand to two thousand; second class, from two thousand to three thousand; first class, from three thousand to six thousand.

The CHAIRMAN. You stated, Mr. Weed, that the postmasters were allowed no extra compensation by reason of the establishment of the postal savings depositories?

Mr. WEED. Yes, sir; except as provided by law in the case of fourth-class postmasters (sec. 13, act of June 25, 1910).

The CHAIRMAN. What allowances are made these post offices for additional clerks, if any?

Mr. WEED. That requires another story.

The CHAIRMAN. This is all of interest and of value, and you may proceed.

Mr. ALEXANDER. Have you prepared a statement that you could submit to go into the record, embracing these items, the number and names of post offices already designated and receiving deposits?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. The aggregate amount of deposits made therein?

Mr. WEED. Yes, sir; to the latest date available.

Mr. ALEXANDER. The aggregate amount of withdrawals therefrom, the number of depositors in each, the total amount standing to the credit of all depositors up until the 1st of May?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And the amount of such deposits at interest?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. The amount of interest received thereon?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. The amount of interest paid thereon?

Mr. WEED. The amount of interest paid thereon is an indeterminate factor. We can not tell that until the end of the year.

Mr. ALEXANDER. The amount of deposits surrendered by depositors for bonds issued by the postal savings banks?

Mr. WEED. The first bond conversion will be July 1, and I can not tell the amount.

Mr. ALEXANDER. The number and amount of unclaimed deposits?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Also the amount invested in Government securities by the trustees, if there is anything?

Mr. WEED. There is nothing thus far.

Mr. ALEXANDER. And the amount of extra expense of the Post Office Department and the postal service incident to the operation of the postal savings depository system?

Mr. WEED. We would like to know that, and, of course, are keeping a cost record as we go along, but it will take about one year of operation, naturally, to tell.

Mr. ALEXANDER. The amount of work done for the savings depository system by the Post Office Department and postal service in the transportation of free mail?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Could you furnish the committee those facts in the form of a statement to go into the record?

Mr. WEED. I have most of it with me, Judge; all that is available at this time.

Mr. ALEXANDER. That is called for in the annual report, and I suppose you have it available. I suppose the committee would like to have it go into the record.

The CHAIRMAN. I will ask you, Mr. Weed, to inform the committee under what conditions clerical allowance is given to these post offices having postal savings depositories?

Mr. WEED. We made our first designation include 48 offices on January 3. Starting out on a new and untried system, and one with more branches, perhaps, than any other banking system in the United States, the Postmaster General was extremely careful. It was the experimental stage. He summoned those first 48 postmasters to Washington, with the inspectors who were to witness the opening day's operations, and they were carefully instructed and advised that since it was not known just what business would materialize on the opening day, it would be necessary for them to assign their most

experienced money-order clerk to the work; that is, his entire time must be devoted to it, so as to give him no opportunity to offer excuses a week or two later that he did not have the facilities to handle the business and permitted all sorts of errors to creep in. The postmasters were informed that the money-order clerks should devote their entire time to the postal savings, keeping the books and handling the deposits, and that as an offset they would be allowed an additional \$600 clerk, the lowest clerk we can appoint in the postal service. That was done in the first list of 48 offices, and also in the second list, selected May 1.

Mr. ALEXANDER. That is, an additional clerk at \$600 a year was allowed to each office that had been designated as a postal savings depository?

Mr. WEED. Yes, sir.

The CHAIRMAN. And his duties were confined to that exclusively?

Mr. ALEXANDER. No; he said they assigned the most experienced man and were allowed this additional help on that account.

Mr. WEED. Yes, sir.

The CHAIRMAN. What additional facilities, in addition to this, are allowed? Are they allowed any typewriters and adding machines?

Mr. WEED. Nothing whatever. There has not been a typewriter or an adding machine placed in the postal service as a result of the postal savings system. I doubt if we have spent, outside of that additional clerk hire, \$10 in the entire postal savings system; I mean, in the field. May I just conclude, however, the other statement? We have now thoroughly tested the system for five months and have reached the conclusion that there is no need under the simple system we have devised of employing additional help in these smaller post offices. Probably we will require considerable additional help in the first-class offices, but so far as the second-class offices are concerned we are convinced that, with few exceptions, there will be no additional employees necessary.

Mr. McCoy. You mean, in addition to the \$600 clerk?

Mr. WEED. No; I mean none at all, not even the \$600 clerk, except, of course, as the business of a particular office increases. You understand, the business of all offices does increase. Consequently, on July 1 these clerks in the 93 depository offices who were transferred to the postal-savings roll will be retransferred to the postal-service rolls. So that, in a sense, the entire expense of conducting the postal savings system will be borne by the postal appropriation.

Mr. McCoy. What will become of these \$600 clerks who were assigned?

Mr. WEED. If the business of the offices, with the increased postal-savings work, which is there every day in the year and increasing every day, does not justify their retention, they will be absorbed in the general expansion of the postal service and placed in the offices where there is a demand for clerks and where inspection proves that the demand is justified.

Mr. McCoy. What work were the extra \$600 clerks assigned to when they were put in?

Mr. WEED. On such postal work as is usually assigned to clerks just entering the service, separate and apart, however, from the postal savings business.

Mr. ALEXANDER. What additional clerical force has been necessary in the department at Washington as an incident to the installation of the postal savings depositories?

Mr. WEED. In all, about 20 clerks.

Mr. ALEXANDER. At what salary?

Mr. WEED. In the aggregate?

The CHAIRMAN. In the aggregate and ranging from what to what?

Mr. WEED. The salaries in the aggregate on the present basis, and, of course, which will have to be increased, amount to about \$30,000 a year, most of whom are carried on the Post Office Department rolls, in order to offset the transfer of these clerks in the field to the postal-savings roll. Their salaries range, going through every statutory grade of course, from \$660 to \$2,500.

Mr. McCoy. I do not quite understand you, Mr. Weed. Are these 20 clerks in Washington purely additional clerks?

Mr. WEED. Not all additional; no, Mr. McCoy.

Mr. McCoy. That was Judge Alexander's question.

Mr. WEED. Some of them were taken from the department and put in the postal savings system. Of course, it is all one.

Mr. ALEXANDER. What I wanted to ascertain, if I could—as it is a subject in which Congress will be interested—is to know what expense, aside from the ordinary expense of operating the Post Office Department, grows out of these postal savings depositories?

Mr. WEED. Yes; I thought I understood you. The salary roll in the Post Office Department this year for running the postal savings system will aggregate \$30,000. It may reach, of course, \$40,000. We can not tell yet what the extension of the service will bring about.

The CHAIRMAN. Can you produce a statement of the expenses that have been incurred relative to the establishment of the postal savings depositories up to May 1?

Mr. WEED. Yes, sir; I shall be pleased to do so.

Mr. ALEXANDER. All this information called for in the second paragraph of section 1 I understand you have?

Mr. WEED. Yes, sir; I can furnish you that up to May 1, complete.

The CHAIRMAN. For instance, you mentioned that when the first depositories were established the Postmaster General summoned all of those postmasters to Washington, and of course paid their expenses; and that will be included in the statement?

Mr. WEED. Yes, sir; everything up to May 1.

Mr. ALEXANDER. The appropriation was \$100,000 to start this service?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Can you say whether you will keep within the appropriation?

Mr. WEED. Yes; the organic act of June 25, 1910, provided \$100,000 for all purposes, and the amended act of March 4, 1911, provided an additional \$500,000, immediately available, and I am naturally delighted to say that we have not anywhere near used up the first \$100,000.

The CHAIRMAN. Can you say, Mr. Weed, that it will be the policy of the Post Office Department to keep the postal savings system separate and distinct from the postal service as to the expense of operating the same?

Mr. WEED. Yes, sir.

The CHAIRMAN. And that no one will be carried on the postal service rolls who is performing duties in the postal savings system?

Mr. WEED. As far as possible we will try to do it. But I think you will admit with me it is going to be very difficult to disassociate the two. When both branches of the work are done in the same building it is going to be extremely difficult.

Mr. ALEXANDER. You could not afford an additional clerk to perform just that service alone. He would perform other services.

Mr. WEED. And for that reason Mr. Hitchcock realized that there was no necessity for carrying these extra clerks in these second-class offices, and has already ordered that they be put back into the postal service on July 1. Of course, it is a theoretical transfer.

The CHAIRMAN. I had in mind the department in Washington when I made that inquiry.

Mr. WEED. Well, the same rule applies here. Most of our clerks in the postal savings system are Post Office Department clerks. Only six are employed out of our postal savings appropriation. Of course, we keep a record of all the time devoted by our clerks to postal savings work. We can give you an accurate statement anytime you desire. But we wish to carry all clerks at headquarters on the Post Office Department rolls, if possible, because we find it much more satisfactory to apply one set of rules to all of our employees than to have two sets, both in the same office, one run by one branch of the service and one by another. The result would be more than confusing, and I think Congress realized that when it amended the act on March 4, 1911, lessening the duties of the board of trustees and increasing those of the Postmaster General just so much more.

(Thereupon the committee proceeded to the consideration of executive business, after which it adjourned until Wednesday, May 31, 1911, at 10 o'clock, a. m.)

COMMITTEE ON EXPENDITURES
IN THE POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Wednesday, May 31, 1911.

The committee met at 1.30 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, Redfield, McCoy, and Towner.

Present, also: Mr. Theodore L. Weed, chief clerk of the Post Office Department.

TESTIMONY OF MR. THEODORE L. WEED, CHIEF CLERK OF THE
POST OFFICE DEPARTMENT—Continued.

The CHAIRMAN. Mr. Weed, for the purpose of completing the record, you were asked Monday, when you were before the committee, to submit a list showing what towns in which postal savings banks have been established were without savings banks. Have you that list with you?

Mr. WEED. I am afraid I misunderstood the committee. I have a statement showing that 68 per cent of the 400 offices thus far designated are without savings banks; but that list does not give the names of the towns.

Mr. McCoy. You say they are without savings banks?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. As I remember the inquiry sent out by the Postmaster General, it was to know if they had savings banks, or if the banks did savings-deposit business.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Have you that information?

Mr. WEED. My reply covers both of those points. In other words, the statement that 68 per cent of the towns have no savings banks also includes the thought that they have no trust companies doing a savings-bank business.

The CHAIRMAN. Unless some member objects and demands that list of the post offices, showing this information, the statement of Mr. Weed may be accepted as to the percentage.

Mr. ALEXANDER. I do not really know what profit it will be to us to have the names of the towns.

Mr. McCoy. I was only looking for the percentage, practically; that was all.

Mr. TOWNER. Of the 400 offices established, that would make 273 without savings-deposit facilities?

Mr. WEED. Yes, sir.

Mr. McCoy. You are referring, of course, to the depositories which have been established and are to be established during the month of June next?

Mr. WEED. Yes, sir; the 400 designated.

Mr. McCoy. On Exhibit 17?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. In answer to Mr. Towner, you said that there were that many towns named as postal savings depositories that were without facilities for savings deposits?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Of course, I know all the towns in Missouri that have been named as depositories, and I know that they all have the very best banking facilities.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And I know, too, that they will receive deposits in any amount.

Mr. WEED. Yes, sir.

The CHAIRMAN. And pay interest?

Mr. ALEXANDER. I can not say about that. My notion is that the majority of them do not pay interest.

Mr. McCoy. My question referred to what we know as institutions which take so-called savings-bank accounts, as a bank will do which is given up exclusively to taking what are known as savings.

Mr. WEED. I want to add to my former statement that we do not depend entirely on the postmaster's reply to that question. We supplement it by an examination of various authorities on State and national banks, which authorities were furnished us by the Comptroller of the Currency.

Mr. REDFIELD. Do I understand, Mr. Weed, that you take into account the industrial character of the population to any degree in designating these towns?

Mr. WEED. Yes, sir.

Mr. REDFIELD. I notice that in the State of New York, for example, you have in your list here two places which are suburbs, so to speak, of the city of Troy.

Mr. WEED. Yes, sir.

Mr. REDFIELD. One, the city of Cohoes, a very large industrial center, and one, Watervliet, where the United States arsenal is located. Would you consider places of that kind on the ground of their being large industrial centers?

Mr. WEED. Yes. Of course there are a number of elements that enter into the situation, and it very possible that a town which was not an industrial center, but which did a large international money-order business and where a demand existed for postal savings, would be selected.

Mr. REDFIELD. That would cover the case of Cohoes. I was little surprised to see as large a place as Cohoes selected.

Mr. TOWNER. Mr. Weed, can you give me approximately the number of first-class offices in the country?

Mr. WEED. Four hundred and twenty-four.

Mr. TOWNER. And of the second class?

Mr. WEED. One thousand eight hundred and twenty-nine.

Mr. TOWNER. And of the third class?

Mr. WEED. Five thousand three hundred and sixty-nine.

Mr. TOWNER. And the fourth class?

Mr. WEED. Fifty-one thousand nine hundred and fifty-eight.

Mr. TOWNER. Have you any statistics or method of determining the number of people that are served by the Post Office Department—that is, is there anything that would indicate what we might perhaps term a post-office patron?

Mr. WEED. Certainly so on rural routes—exactly on rural routes.

Mr. TOWNER. Yes; I should suppose so. For instance, could you tell me with any degree of accuracy the number of people that are served by the first-class post offices of the country?

Mr. WEED. I think so.

Mr. REDFIELD. Would it cover your thought, Mr. Towner, if that were to be the population of the towns? Is that what you mean?

Mr. TOWNER. I hardly think so. I conceive that there is a very large element of the population that are not post-office patrons at all—of course, infants, minors of a certain age, and other classes that would hardly be considered. I did not know whether the department had made anything in the nature of a determination of what were post-office patrons or not.

Mr. WEED. I think we have.

Mr. REDFIELD. That would be a very interesting fact.

Mr. TOWNER. Yes; if that could be furnished, I should very much like to have it for each one of the classes, Mr. Weed.

Mr. WEED. Yes, sir.

Mr. TOWNER. Can you now furnish, to put into the record, the form of the certificate of deposit that is issued?

Mr. WEED. I can get one up here in 15 minutes. Suppose I telephone for it.

Mr. TOWNER. Very well; I wish you would. I should like to have it in the record—just the form that you use.

Mr. REDFIELD. Do you mean the certificate of deposit that is given to a depositor?

Mr. TOWNER. Yes.

(The form of certificate referred to was then sent for, and was subsequently received.)

Mr. TOWNER. Mr. Weed, you may now read into the record, if you please, the form of the postal certificate as used at present by the department.

(The certificate referred to was marked "Exhibit No. 16," and was directed to be made part of the record. It is as follows:)

ENDORSEMENT

THE DEPOSITOR MUST NOT ENDORSE THIS CERTIFICATE UNTIL IT IS PRESENTED AT THE POST OFFICE FOR PAYMENT

INFORMATION FOR DEPOSITOR

- 1. BEFORE ACCEPTING THIS CERTIFICATE THE DEPOSITOR MUST SEE THAT THE AMOUNT FOR WHICH IT IS ISSUED CORRESPONDS TO THE DUPLICATE CERTIFICATE RETAINED BY THE POSTMASTER.
- 2. IF THIS CERTIFICATE IS LOST THE DEPOSITOR SHOULD IMMEDIATELY NOTIFY THE POSTMASTER AT THE POST OFFICE WHERE ISSUED.
- 3. CERTIFICATES BEGIN TO DRAW INTEREST FROM THE FIRST DAY OF THE MONTH FOLLOWING THE ONE IN WHICH ISSUED
- 4. THE POSTMASTER WILL STAMP IN THE SPACES BELOW THE DATES ON WHICH ANNUAL INTEREST PAYMENTS ARE MADE: DEFERRED PAYMENTS COVERING TWO OR MORE YEARS TO BE STAMPED SEPARATELY IN THE SPACES PROVIDED FOR THE SEVERAL YEARS.

Number of years	Total accrued interest	Interest accruing annually	Dates of annual interest payments of four cents each
1	\$0.04	\$0.04	
2	.08	.04	
3	.12	.04	
4	.16	.04	
5	.20	.04	
6	.24	.04	
7	.28	.04	
8	.32	.04	
9	.36	.04	
10	.40	.04	

Will you please now give to the committee the denominations in which those postal certificates are issued?

Mr. WEED. \$1, \$2, \$5, \$10, \$20, \$50, and \$100.

Mr. TOWNER. From your experience thus far derived, can you give the committee any idea of the amount most usually deposited? In other words, are they in the larger denominations, or usually in the smaller denominations?

Mr. WEED. It depends to a great extent on the locality of the office. We have found from experience that the western offices out-distance those in the Eastern and Central States in the amount of deposits, and that in the western offices there is a correspondingly larger demand for the higher certificates.

Mr. TOWNER. I presume your experience has been so small, so far, that it would be hardly sufficient data for a complete answer to the question?

Mr. WEED. To a certain extent.

Mr. TOWNER. The other day when you were before the committee, Mr. Weed, you said to the committee that from the experiments thus far made the department concluded that the postal savings deposit system was (I think your language was) "most successful." Am I correct in that?

Mr. WEED. Yes, sir.

Mr. TOWNER. Will you be kind enough to give to the committee your reasons for such statement?

Mr. WEED. During the experimental stage only 48 offices were designated; and the latest complete returns from those offices cover the months of January, February, March, and April. The returns show that in each month of their operations the deposits in these 48 offices increased approximately 10 per cent over the deposits of the preceding month. While the returns from our second batch of offices, established May 1, are not in and can not be completed before the 15th of June, partial returns received up to and including the business of May 20 (or, in other words, the first 20 days of their operation) indicate a surprisingly large increase compared with the first month's operation of the first offices designated.

Mr. TOWNER. That takes into consideration, does it not, Mr. Weed, merely what we might call the business aspects of the case?

Mr. WEED. Yes, sir.

Mr. TOWNER. I presume it is too early yet for you to determine as to what I might perhaps designate as the economic aspects of the case—that is, as to its effect on the savings habit among laboring men and others?

Mr. WEED. Yes, sir.

Mr. TOWNER. Can you make any observations now, from data already derived, with regard to that aspect of the case?

Mr. WEED. Nothing that would be conclusive; but from correspondence received from postmasters, the feeling seems to be entertained that it will have a far-reaching effect with the laboring classes—that they seem to be taking to it with a great deal of confidence that augurs well for the future.

Mr. TOWNER. At least, you can say that it has been favorably received; can you?

Mr. WEED. Yes, sir.

Mr. TOWNER. Let me ask you this question: Can you determine with any degree of accuracy what this system, as an independent

branch of the Post Office Department, will cost the Government per individual deposit?

Mr. WEED. Not yet.

Mr. TOWNER. Is there anything in the nature of additional or independent revenue that will come to the department from this system?

Mr. WEED. We hope so, and believe so.

Mr. TOWNER. I believe that you pay on deposits $2\frac{1}{2}$ per cent interest; do you?

Mr. WEED. Two per cent.

Mr. TOWNER. Two per cent; yes. And you receive from the banks $2\frac{1}{2}$ per cent?

Mr. WEED. Yes, sir.

Mr. TOWNER. That will be, then, a source of income to the department; will it not?

Mr. WEED. We hope so. Of course we feel that the margin between the amount of interest paid and the amount of interest received is extremely small. We have consulted leading bankers in New York, Chicago, Philadelphia, and Boston and the consensus of opinion seemed to be that one-half per cent margin would be rather close sailing, and that it would require an extremely economical administration for the Government to make both ends meet.

Mr. TOWNER. Is it the expectation of the Government to make both ends meet?

Mr. WEED. It is. It is certainly the hope and the determination of the Government to make both ends meet.

Mr. TOWNER. That hardly answers the question.

Mr. ALEXANDER. It is not the intention of the Government to go into the banking business at a loss if it can be avoided?

Mr. WEED. No.

Mr. TOWNER. Will you tell me what other source of independent revenue the Government would derive from the establishment of this system that might be used for the purpose of defraying the additional expense of its establishment and maintenance? By "independent" I mean independent of the other departments of the Government.

Mr. WEED. And, of course, eliminating the difference between interest paid and received?

Mr. TOWNER. Yes; whatever that may be.

Mr. WEED. I might say—giving a rather technical answer—that I have every reason to believe that the requirements that we demand of postmasters will bring about such an improved efficiency—in fact, are bound to bring about such an improved efficiency—that the net saving to the Government will be flattering in the not distant future.

Mr. TOWNER. Still, I do not believe that that is quite an answer to my question. Is there any other charge for the service rendered from which the Government might derive any revenue?

Mr. WEED. No, sir.

Mr. TOWNER. Is there any other source of income from this department, independent of the other departments, that would bring in any revenue to the Post Office Department?

Mr. WEED. No, sir.

Mr. ALEXANDER. Right at this point let me ask a question: As I understand you, if the banks pay $2\frac{1}{2}$ per cent for deposits, and the Government pays the depositors 2 per cent, the only source from

which the Government may reimburse itself for any expense in connection with the operation of the postal depository system must be out of this one-half of 1 per cent?

Mr. WEED. Yes.

Mr. ALEXANDER. Or it must be made up out of the general revenues?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. But you think that, as these deposits increase and the business increases, the expenditures will come within the one-half of 1 per cent? That is the hope, at least?

Mr. WEED. It is.

Mr. TOWNER. I should like to ask this general question, Mr. Weed: Do you find, in the towns where the system has already been inaugurated and in operation, any serious opposition on the part of the bankers to its establishment and maintenance?

Mr. WEED. No, sir.

Mr. TOWNER. What means have you to enable you to answer that question? What sources of information have you, or what special inquiries have been made?

Mr. WEED. Our best information, our most reliable information, naturally comes from this fact: That in towns where we have thus far established postal savings banks or designated offices to be established, a good majority of the banks of the towns have applied for designation as depository banks.

The CHAIRMAN. Let me interrupt you. Would that seem to indicate the approval of the banks—because they made application to become depositories?

Mr. WEED. We so construed it.

Mr. ALEXANDER. Is it not rather this, that if they are going to have a depository in the town each one wants to be the depository, rather than that its rival may be the depository?

Mr. WEED. That may be true. Then perhaps I should say that we have really received nothing to indicate feeling one way or the other.

Mr. ALEXANDER. Have you any information to the effect that the banks have been hurt by it; in other words, that their deposits have shrunk, or their business was affected?

Mr. WEED. We have no such information. You may be interested in hearing that I have talked personally to bankers from some of the Western States—Oklahoma, for instance—where the rate of interest is high—I believe the legal rate there is something like 12 per cent—and I am told that the bankers down there are welcoming this system with open arms, because if there is money in hiding and the postal savings depositories draw it out of its place of security it finally goes into the banks, and they pay 2½ per cent on it and have a chance to make as high as 12 per cent.

Mr. ALEXANDER. And the community has the benefit of it in general circulation?

Mr. WEED. Yes.

Mr. McCoy. Have you had any requests for the establishment of postal depositories except from postmasters?

Mr. WEED. Yes.

Mr. McCoy. From whom, or what class of people, did they come?

Mr. WEED. Some few, of course, from Senators and Representatives; but we have had a large miscellaneous correspondence from individuals in many localities.

Mr. McCoy. Can you say whether, in response to the requests from individuals in different localities—not referring now to either Senators or Representatives—you have responded favorably and established any depositories independent of the postmasters' requests?

Mr. WEED. No, sir.

Mr. McCoy. You say that the West has outdistanced the East in deposits, judging from the demand for larger denominations of certificates than the East sends in. Have you drawn any conclusion at all from that fact?

Mr. WEED. Only the conclusion that there is a much larger demand for it in the western mining regions than anywhere else in the United States. But beyond that I would hesitate to say, because thus far we really do not know why it is unless perhaps because there are fewer savings banks or banks of any kind in those regions—such, for instance, as Cripple Creek and Leadville, Colo., up in the mountains.

Mr. McCoy. Then, has the demand for larger denominations of certificates been throughout the West, or has it been confined to such localities in the West as you have spoken of, where they have mining interests, etc.?

Mr. WEED. It has been to a much greater extent in those western localities, in the mining regions.

Mr. McCoy. Then, excluding the mining regions and taking the rest of the West, would you say that the demand for large certificates was greater there than it is in the East?

Mr. WEED. Yes, sir.

Mr. McCoy. And is that to any great extent?

Mr. WEED. Not materially so.

Mr. McCoy. How large a number of certificates in amount do you furnish to any one postmaster?

Mr. WEED. I could submit you a statement showing that. We have of record every dollar sent to postmasters. The supply that we forward depends entirely on the demand.

Mr. McCoy. In a given office?

Mr. WEED. In a given office. May I continue, in order to give you a clear idea?

Mr. McCoy. Yes.

Mr. WEED. We require postmasters to deposit daily in the depository banks. They must do so at the close of business each day. The banks, in turn, submit to us daily statements of deposits received from postmasters. You will thus perceive that we have a double check on the business of the postmaster, and are enabled, ourselves, here, to automatically judge of the requirements of the office.

Mr. McCoy. How do you check up his receipts? You can not check them by the amount which he has deposited.

Mr. WEED. He submits a monthly report to the department.

Mr. McCoy. But is that monthly report checked up with the number of unissued certificates remaining in his possession?

Mr. WEED. Yes, sir.

Mr. TOWNER. And it shows the denominations of the certificates issued?

Mr. WEED. In every case. I should like to bring you a form of our account current, which would give you a very comprehensive idea of that.

Mr. McCoy. Who checks up the receipts with the number of unissued certificates in a postmaster's possession?

Mr. WEED. Of course, we have inspectors visiting these offices about once a month for that very purpose, but we judge from the returns from the banks and the returns from the postmaster as to the number of unissued certificates he has on hand. Of course, we keep a very careful record of certificates, because they are, of course, accountable property of the most valuable kind.

Mr. McCoy. That is exactly the point I am getting at. What check have you on postmasters to protect the department in case they should issue certificates, say, without getting any deposits to correspond to the certificates issued?

Mr. WEED. Of course, Mr. McCoy, you know that all postmasters are bonded, so that in the event of embezzlement the Government would be secure from loss.

Mr. ALEXANDER. Right at that point: Heretofore, of course, the handling of postal-savings deposits was no part of the duty of a postmaster, and, I presume, did not come within the provisions of his bond. Are the bonds of postmasters of offices where they now receive postal-savings deposits broad enough in their terms to make the postmaster liable for an embezzlement, or has that matter received the attention of the department?

Mr. WEED. The bonds are broad enough at the present time to protect the department. The organic law of the postal-savings system authorizes the Postmaster General to increase the bond of any postmaster when the postal-savings receipts of his office warrant such action, and, of course, the department is exercising the greatest care in keeping track of the receipts of each individual office.

Mr. McCoy. Has the amount of the penalty of any bond yet been increased because of the fact that the postmaster was running a depository office?

Mr. WEED. No, sir.

Mr. McCoy. Now, to get back to my other question: What system of checking, if any, has the Post Office Department established to protect it against an issue of certificates without corresponding deposits?

Mr. WEED. The department has established as elaborate a system as could be adopted under good business methods, and to a certain extent follows the same system that has prevailed in the fiscal operations of post offices for the last few years.

Mr. McCoy. But what specific system has been established with reference to this specific matter of protecting the Government against the issue of certificates without a corresponding deposit? What actual check or system of checks has been established?

Mr. WEED. Mr. McCoy, of course no one can stop a postmaster from defrauding the Government if he wants to.

Mr. McCoy. But, Mr. Weed, that does not answer my question.

Mr. WEED. I can bring up a full statement of all our forms and our bookkeeping system.

Mr. REDFIELD. See if I understand correctly. You want to get at this condition: Tom Jones comes in with a \$10 deposit. The post-

master issues a certificate for it. What prevents the postmaster walking off with the \$10?

Mr. McCoy. No; Tom Jones does not come in with a cent, but the postmaster issues a certificate for \$2.

Mr. REDFIELD. Oh, you are not talking of the postmaster receiving money and failing to account for it?

Mr. McCoy. No; I am speaking of the postmaster issuing certificates for deposits without receiving any money.

Mr. REDFIELD. Well, you see, it was not perfectly clear to me just what your meaning was. That is the reason why I asked the question.

Mr. WEED. In the first place, in the department we enter in a book provided for that purpose the exact number of certificates furnished the postmaster on the opening of a postal savings depository. Those certificates are all serially numbered and numbered alphabetically, so that series A would indicate the \$1 denomination, series B the \$2 denomination, and so on. The postmaster is required—under penalty of keeping his office, of course—to deposit daily in the bank. The bank in turn is required to report daily to us. The bank sends us at the close of its business each day a duplicate of every deposit slip given to the postmaster. At the end of the month the postmaster submits an itemized statement of all postal savings certificates issued and the number of postal-savings certificates and postal-savings cards and 10-cent stamps on hand. We check one against the other; and of course if they do not balance, if there is any variance at all, we immediately direct an inspector to proceed to the office and take charge of it and inspect his books and accountable property.

Mr. McCoy. So that there is a check right here in Washington, you think, against issuing these certificates without deposits?

Mr. WEED. An absolute check, Mr. McCoy.

Mr. TOWNER. If the certificate is issued, he has to account for it?

Mr. WEED. He has to account for it; and while he might get away with it for a month, the Government would be protected by his bond. In other words, the Government runs no more chances with a postmaster in postal savings matters than it does in postal-service matters.

Mr. TOWNER. You refer to selling stamps without getting money?

Mr. WEED. Yes.

The CHAIRMAN. Let me inquire there whether or not the postmasters' bonds have been increased by reason of the establishment of the postal savings banks?

Mr. WEED. I have already answered that.

The CHAIRMAN. No bond has been increased yet?

Mr. WEED. No.

Mr. TOWNER. The law provides that that may be done, but he says they have not yet felt called upon to do it. Mr. Chairman, I shall have to go to a meeting of the Committee on Buildings and Grounds, which, as you know, has some very important and special matters, and shall have to be excused.

Mr. McCoy. Mr. Weed, suppose a postmaster sends you in an account of the number of certificates issued and the amounts deposited in the bank to correspond with them. There is still a hiatus. He might have issued more certificates, as I say, than he received money for—not more than he deposited money for, but more than he received money for. How would you check him on that? In other words, he could make a report of the balance of certificates on

hand which would not be accurate. He might have fewer certificates than he reported. How would you check him on that?

Mr. WEED. I do not believe it is possible, Mr. McCoy. Admitting, for the sake of argument, that he had \$5,000 worth of certificates and reported that he had deposited \$3,000 in bank, and the bank confirmed that report to us, then your question has to do with the remaining \$2,000, which he may have fraudulently disposed of?

Mr. McCoy. Yes. He reports to you, then, that he has received and deposited \$3,000.

Mr. WEED. Yes.

Mr. McCoy. And that corresponds with what you get from the bank?

Mr. WEED. Yes.

Mr. McCoy. He reports that he has a balance of \$2,000 of certificates on hand?

Mr. WEED. Yes.

Mr. McCoy. As a matter of fact, he may have only \$1,500, having issued \$500 to his friends, we will say, without deposits.

Mr. WEED. Yes.

Mr. McCoy. How would you check that?

Mr. WEED. It might be difficult to check it up to one or two thousand dollars until the inspector came around to the office, as he does very frequently, and took over the books. It is our object to have him do it once a month. Then the embezzlement or the fraud would become apparant, and, as I say, the Government would be protected under its bond, even though the postmaster had disappeared.

Mr. REDFIELD. Would not that be in time to prevent the misuse of those certificates?

Mr. McCoy. I am trying to develop how they are handling it; that is all. Then, as a matter of fact, it would be the duty of an inspector, in making his customary inspection, to check up the remaining certificates as well as the number of stamps which a postmaster had on hand?

Mr. WEED. Yes, sir; just as he does now with the postal accounts.

Mr. McCoy. And this he would report to you?

Mr. WEED. Immediately.

Mr. McCoy. You say you have had complete reports for the months from January to April, inclusive, of the 48 banks first established?

Mr. WEED. Yes, sir.

Mr. McCoy. And that they show a 10 per cent increase from month to month?

Mr. WEED. Yes, sir.

Mr. McCoy. And you consider that a favorable increase?

Mr. WEED. Yes; quite favorable.

Mr. McCoy. How does that compare, if you know, with the rate of increase of a newly started savings bank?

Mr. WEED. I have no means of drawing a comparison at present, Mr. McCoy.

Mr. McCoy. Why, then, would you say that that was very favorable?

Mr. WEED. Anything that indicates an increase of 10 per cent a month in a new and untried system would strike me as being favorable. It has struck the Postmaster General so.

Mr. McCoy. Then your answer is not based on a comparison with anything else?

Mr. WEED. No, sir. We have no means at our disposal of making such a comparison.

Mr. McCoy. You say that the offices established in May—I believe they are 45 in number——

Mr. WEED. Yes, sir.

Mr. McCoy. The offices reporting up to the 20th of May show surprisingly large deposits in the aggregate?

Mr. WEED. As compared with the original 48 offices.

Mr. McCoy. Are you simply comparing amounts and amounts?

Mr. WEED. Yes, sir.

Mr. McCoy. Or are you taking into consideration the different characters of the localities? Where are the 45 offices, generally speaking? Are they in small places or large places?

Mr. WEED. I might say that the reasons for designating the two batches of offices were strikingly similar. Mr. Hitchcock made an effort to put a depository in each State and Territory of the United States in those localities where a demand existed, where the rating of the postmaster was good, where the international money-order business was large, and where the number of savings banks was negative. He followed out the same practice with his designation of the second batch of offices; so that there is a striking similarity between the two. The first batch, for its first month's operation, received, approximately, \$65,000 in deposits, and the second batch, for its first 20 days of operation, received \$55,000. On that comparative basis I ventured the statement that the results with the second batch of offices were highly gratifying, as indicating a growth in the popularity of the system.

Mr. McCoy. Let us take New York, for instance. Take this list, Exhibit 16, and take New York. Can you say, or have you anything to show, whether any of those post offices were designated in the first 48?

Mr. WEED. Yes, sir; Cohoes was designated in the first 48.

Mr. McCoy. And were any of them designated in the next 45?

Mr. WEED. Yes, sir; North Tonawanda.

Mr. McCoy. That was in the second?

Mr. WEED. Yes, sir.

Mr. McCoy. Take New Jersey, for instance.

Mr. WEED. Rutherford in the first; Burlington in the second.

Mr. McCoy. It will take too long to pursue this.

Mr. ALEXANDER. I should like to ask a question right at that point, with your permission.

Mr. McCoy. All right.

Mr. ALEXANDER. Why not establish a postal savings depository in New York City? The amount of international money orders, etc., must be large there. Do the banks resist it?

Mr. WEED. I explained at the hearing Monday, during your absence, that during the establishment period, the experimental stage of this system, Mr. Hitchcock was extremely cautious. It menat the development of the largest banking industry in the United States. The appropriation granted us by Congress was small—only \$100,000—and was intended to extend the system into each State and Territory.

We felt that business prudence would forbid our going into such a large place as New York with an untried system, with scarcely money enough, perhaps, to operate in that one particular office. But now, after five months' experience, while we are establishing offices at the rate of 100 a week, we have reached the conclusion that there is nothing to prevent our going into the large cities. In fact, I received instructions about two weeks ago from the Postmaster General to prepare a list of 50 offices to be designated in the first-class cities on July 1.

Mr. REDFIELD. I want to ask a question to illustrate that very point, if I may. Illustrating the proposed action, from the city in which I live, there is in that portion of New York City called the Borough of Brooklyn, in the section where I reside, a community of approximately 100,000 souls without any savings-bank facilities whatever, and several miles from any such institution. Is that general class of community the kind which would receive favorable consideration at the hands of the department?

Mr. WEED. Most decidedly.

Mr. REDFIELD. That is the point I want to get at.

Mr. McCoy. Is there any branch post office there?

Mr. REDFIELD. Yes; there are two post-office stations right there, but no savings banks. I want to get on the record also, Mr. McCoy, a deduction from one of your questions, if I may, right here. I understand that you said that the first month of the original 48 post offices developed deposits of approximately \$65,000?

Mr. WEED. Yes, sir.

Mr. REDFIELD. And the first 20 days of the second 45 post offices developed deposits of approximately \$55,000?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Assuming the period (20 days) during which the second 45 operated to be but two-thirds (as in fact it is) of the period during which the 48 operated, then is it correct to say that at the ratio of \$55,000 for 20 days those 45 banks would show a total in one month of \$82,500 of deposits, as compared with a showing in the original 48 banks of \$65,000 for their first month—or an increase of \$17,500, or approximately 27 per cent.

Mr. WEED. Yes, sir. I am very much obliged to you for putting that in, because I think it is quite important.

Mr. McCoy. Mr. Weed, you said that the reports received from postmasters had, as I remember, indicated a far-reaching effect of the establishing of these postal savings banks on the saving habit of the laboring class. Is there any information already in the possession of the Post Office Department which would allow the general characterization of results of that kind?

Mr. WEED. To a limited extent, Mr. McCoy.

Mr. McCoy. Let us hear how you can reach that conclusion.

Mr. WEED. Of course, in giving my reply I merely intended to convey the idea that all reports thus far received were satisfactory—more than satisfactory—as showing a deep and a growing interest on the part of the inhabitants of the different towns.

Mr. McCoy. That might be true without having any change in their habits of saving.

Mr. WEED. Of course you know that I made my answer in response to a question; and I did not need to go into it quite as deeply as that, because, as I stated later——

Mr. McCoy. I did not really imagine that you did, because an answer to that question would require a series of years and a system of close analyses and investigations which, necessarily, the Post Office Department can not make.

Mr. WEED. I feel that way myself, Mr. McCoy.

Mr. McCoy. How does the Post Office Department expect to "make both ends meet," as it has been expressed here, when these bankers of whom it has taken advice say that they hardly think the margin of one-half per cent between the interest paid and the interest received will cover the expense of operation?

Mr. WEED. Naturally we will know a good deal more on that subject after the first year's operations; but thus far it would appear that by the elimination of the pass-book system, which I explained at my last hearing, the expense of employing clerks at Washington will be reduced to the minimum.

Mr. McCoy. Then was the report of these bankers, in answer to your inquiries, based on the assumption that the pass-book system was to be used?

Mr. WEED. No, sir; it was not. I might say that we all agreed that with the use of the pass-book system in the United States the postal-savings system would cost the Government heavily every year.

Mr. McCoy. Then the reports or opinions of these bankers were based on the use of certificates which are now being used, substantially?

Mr. WEED. Exactly.

Mr. McCoy. Then, I say, how do you expect to cover the cost of operation by the one-half per cent difference between interest paid and received?

Mr. WEED. It requires some little explanation, Mr. McCoy, and I will try my best to give it to you in a few words.

In the first place, the law provides that 65 per cent of the total deposits received shall be deposited in any State or national bank subject to national or State supervision; that 30 per cent shall be invested by the board of trustees in bonds of the United States, subject to call; and that 5 per cent shall be deposited with the Treasurer of the United States as a reserve. Therefore, under the most favorable conditions, we find that we can deposit 95 per cent of our proceeds in bank. It may be possible that we will only have 65 per cent deposited; but assuming that we have 95 per cent——

Mr. McCoy. Would it not be 70 per cent?

Mr. WEED. No, sir; it would be 95 per cent.

Mr. McCoy. I understand that 65 per cent is to be left in the banks.

Mr. WEED. Yes, sir; and 30 per cent withdrawn.

Mr. McCoy. Withdrawn and invested?

Mr. WEED. Withdrawn and invested at the discretion of the board.

Mr. McCoy. Then that would leave 5 per cent in the Treasury as a surplus?

Mr. WEED. As a reserve fund.

Mr. McCoy. And that would leave only 65 per cent in the banks.

Mr. REDFIELD. But the 30 per cent draws interest on the bonds.

Mr. WEED. I stated that it was within the discretion of the board to withdraw that 30 per cent from bank. In order to try to answer

that question, which is a difficult one, after only five months of operation, I wanted to assume that 95 per cent would be left in bank, and that on that 95 per cent the Government would receive $2\frac{1}{2}$ per cent interest, which would be the only revenue received with which to conduct our operations. On the other hand, we pay 2 per cent on all of our deposits. For the sake of argument we might assume that we are going to pay practically 2 per cent on 100 per cent of our deposits. So the point I want to bring out is that there really is not one-half per cent clear to operate on. You see that, Mr. Redfield—there is not that much clear.

Mr. REDFIELD. Yes.

Mr. WEED. There are so many elements that enter into the cost of conducting the system that it is difficult to reach a conclusion.

Mr. McCoy. Let me simplify my question, if I can. These bankers whose opinions you took reported that they did not think that you could operate without loss on the difference in interest of one-half of 1 per cent. What is there in the situation that makes you think that you can do it, getting down to the things which they reported upon as elements entering into the matter? In other words, what has led you to reach a different conclusion from theirs, if there is any specific thing or things?

Mr. WEED. It is difficult to answer that question exactly before the year is up. I have tried.

Mr. ALEXANDER. Is not this the fact about it—that the whole thing is experimental?

Mr. WEED. The whole thing is experimental, Judge.

Mr. ALEXANDER. And you can not tell until you work it out by actual experience?

Mr. WEED. You can not; but I might say this: We figure out approximately what income we will receive for the first year of operation, based on possibly twenty millions of deposits, which we hope to have before the year is over; and we compare to it a conservative estimate of what we think will be the cost of operation during the first year, making due allowance for the fact that there were some extraordinary expenses the first year which will not be incurred the second year, due to the fact that we were establishing a new system.

Mr. ALEXANDER. Experience may suggest other economies than those that are now in use, may it not?

Mr. WEED. I think so, judge. It is quite likely. I may say that we have kept our clerical hire down to the minimum. We have been very conservative in expenditures.

Mr. McCoy. My question did not seek to bring out whether or not experience has taught you that you are going to beat the estimates of the bankers; but you say you have reached the conclusion that you are going to do better than they expected. What makes you think that you are?

Mr. WEED. In an effort to reach a possible determination of such a question as that, Mr. McCoy, when we had the creation of this system under consideration, we used \$1 as a basis, and figured out the revenue which we would receive from that \$1 if deposited in banks—which, of course, would be $2\frac{1}{2}$ cents—as against which we would have to pay out 2 cents. We then took into consideration the cost of every form that would be required in the conduct of the system, the cost of the certificates of deposit, the bookkeeping forms, and every factor which

we thought could enter into the equation. That statement, for what it is worth, is now on file at the department; and before proceeding with this line of questions, I should like to have the privilege of placing it in evidence.

Mr. REDFIELD. On the assumed basis of \$20,000,000 of deposits, and of your receiving 95 per cent of the amount arising from the half of 1 per cent returned to the Post Office Department, you would have a net revenue from the deposits of \$95,000 per annum. Can you run the system, on a basis of \$20,000,000 deposits, for \$95,000?

Mr. WEED. Yes, sir.

Mr. REDFIELD. That is the point.

Mr. McCoy. That is Mr. Weed's opinion.

Mr. REDFIELD. It is all opinion; but that is a definite figure and a clear fact.

Mr. WEED. I could tell you why in a very few words, because I figured that out myself, based on twenty millions.

The CHAIRMAN. Mr. Weed, you were asked Monday, when you were before the committee, to submit a statement of the expenses incurred in the establishment of the postal savings depositories up to and including May 20. Have you such statement here?

Mr. WEED. Yes, sir.

The CHAIRMAN. I will ask that it be read into the record and marked "Exhibit 17."

(The statement referred to is as follows:)

EXHIBIT No. 17.

POST OFFICE DEPARTMENT,
POSTAL SAVINGS SYSTEM,
Washington, May 31, 1911.

Hon. WILLIAM A. ASHBROOK,

*Chairman Committee on Expenditures in the
Post Office Department, House of Representatives:*

In response to your request of the 29th instant, the following statements concerning the operation of the postal savings system are submitted:

*Exhibit 1.*¹—A list, by States, of all post offices designated as postal savings depositories, together with a statement of the date and number of offices designated.

Exhibit 2.—A statement showing all money spent, except for salaries, giving date, purposes, firm, and amount:

A. Purchases.

B. Traveling expenses.

C. Secretary of the Treasury.

Exhibit 3.—A statement of all salaries paid:

A. In the field.

B. At Washington (1) out of postal-savings appropriation, (2) out of Post Office Department appropriation.

Exhibit 4.—(A) Statement showing number of open accounts, total amount on deposit, and average balance per depositor, also total savings cards and stamps sold and redeemed, on April 30, 1911. (B) Statement, as of May 26, 1911, showing the amount of postal savings funds deposited, including amounts for which depository banks have forwarded certificates of deposit during the month of May and amounts reported as held by postmasters. (C) Statement of the general operation of the postal savings system to date.

Respectfully submitted.

T. L. WEED,
Secretary Board of Trustees.

¹ See Exhibit No. 15, on p. 156.

EXHIBIT No. 2.

Statement of expenditures, except for salaries, out of appropriation establishing postal savings depositories.

A.—PURCHASES.

Date paid.	Name.	Purpose.	Amount.
1911			
Feb. 7	Chesapeake & Potomac Telephone Co.....	Telephone service, November, 1910....	\$4.50
7	Kalamazoo Loose Leaf Binder Co.....	Ledger.....	47.20
7	Burroughs Adding Machine Co.....	Electric adding machine.....	431.82
7	Wm. J. Giddings.....	Rugs.....	114.76
7	R. P. Andrews Paper Co.....	Jackets.....	120.89
7	Globe-Wernicke Co.....	Furniture, etc.....	549.55
7	J. Baumgarten & Sons.....	Rubber stamps.....	88.94
7	Kalamazoo Loose Leaf Binder Co.....	Binder.....	11.80
7	Monarch Typewriter Co.....	Typewriter.....	101.15
14	Underwood Typewriter Co.....	do.....	83.15
14	Globe-Wernicke Co.....	Cabinet.....	7.00
14	Washington Railway & Electric Co.....	Street car tickets.....	10.00
14	Chesapeake & Potomac Telephone Co.....	Telephone service, December, 1910....	25.05
16	Globe-Wernicke Co.....	Desk trays.....	13.50
16	W. L. Swayze.....	Punch, etc.....	3.88
16	Brentano's.....	Dictionary.....	10.80
28	Robert's Numbering Machine Co.....	Numbering machine.....	6.00
28	Underwood Typewriter Co.....	Typewriter.....	83.15
Mar. 6	Chesapeake & Potomac Telephone Co.....	Telephone service, January, 1911.....	12.35
6	L. C. Smith & Bros. Typewriter Co.....	Typewriter.....	82.50
6	Derby Desk Co.....	Furniture.....	55.00
23	Western Union Telegraph Co.....	Telegraph service, December, 1910....	56.60
23	Daily Bond Buyer.....	Bond sales, 1908-1910.....	10.00
23	United States Express Co.....	Express charges.....	2.75
23	Adams Express Co.....	do.....	1.25
23	Western Union Telegraph Co.....	Telegraph service, January, 1911.....	63.09
Apr. 11	Chesapeake & Potomac Telephone Co.....	do.....	1.25
11	George F. Muth & Co.....	do.....	4.35
11	Postal Telegraph-Cable Co.....	Telegraph service, December, 1910....	21.85
19	Monarch Typewriter Co.....	Typewriter.....	83.15
19	Fairbanks Co.....	Scales.....	6.56
19	Postal Telegraph-Cable Co.....	Telegraph service, January, 1911.....	3.56
19	Western Union Telegraph Co.....	Telegraph service, February, 1911....	12.57
19	Talcott Bros.....	Rental safe deposit box.....	3.00
25	Mercantile Corporation.....	Envelopes.....	30.24
25	United States Envelope Co.....	do.....	18.80
25	Stockett-Fiske Co.....	Tags.....	18.50
25	R. P. Andrews Paper Co.....	Jackets.....	4.83
25	J. Baumgarten & Sons Co.....	Rubber stamps.....	113.01
May 4	Globe-Wernicke Co.....	Fillings, cards, etc.....	10.65
8	Western Union Telegraph Co.....	Telegraph service, March, 1911.....	3.08
8	Kalamazoo Loose Leaf Binder Co.....	Binders.....	32.75
11	Solomon Lewis & Son.....	Sign.....	3.25
17	Postal Telegraph-Cable Co.....	Telegraph service, January and February, 1911.....	7.63
17	Monarch Typewriter Co.....	Typewriter.....	83.15
17	B. F. Bond Paper Co.....	Envelopes.....	93.00
17	Robert's Numbering Machine Co.....	Numbering machine.....	6.00
17	H. C. Miller Co.....	Binders.....	3.28
20	Postal Telegraph-Cable Co.....	Telegraph service, March, 1911.....	1.25
20	Mercantile Corporation.....	Envelopes.....	28.35
	Total.....		2,585.83

B.—TRAVELING EXPENSES.

1911.			
Feb. 4	D. C. Allee.....	Instruction.....	\$19.11
4	T. R. Morse.....	do.....	103.30
4	W. E. Clark.....	do.....	125.35
4	Ernest L. Love.....	do.....	23.08
4	Charles S. Williams.....	do.....	125.40
4	James Clove.....	do.....	172.90
4	Elmer H. Myhra.....	do.....	98.25
4	William B. LeRoy.....	do.....	42.75
4	Edward Hall.....	do.....	73.45
4	S. D. Beebe.....	do.....	221.81
4	W. P. Park.....	do.....	113.35
4	F. P. Burnet.....	do.....	223.45
4	Frank A. Hill.....	do.....	146.65
4	William J. Watson.....	do.....	101.96
4	Anton R. Erickson.....	do.....	106.65

Statement of expenditures, except for salaries, etc.—Continued.

B.—TRAVELING EXPENSES—Continued.

Date paid.	Name.	Purpose.	Amount.
1911.			
Feb. 4	A. E. Bean.....	Instruction.....	\$74.75
4	Theodore R. Hofer, jr.....	do.....	277.80
4	Joseph J. Marsh.....	do.....	73.05
4	George B. Lewis.....	do.....	65.85
4	Frank McCartney.....	do.....	100.95
4	F. L. Gaylord.....	do.....	37.30
4	Robert T. Stickney.....	do.....	88.60
4	Henry G. Kress.....	do.....	82.50
4	Elmer T. Beltz.....	do.....	161.25
4	W. T. Cavanaugh.....	do.....	228.80
4	C. P. Nair.....	do.....	16.70
4	J. A. Vines.....	do.....	31.80
4	R. E. Grimshaw.....	do.....	126.90
4	C. J. Purcell.....	do.....	38.10
4	Joseph G. Brown.....	do.....	61.35
4	Edward J. Prest.....	do.....	44.50
4	J. B. Hess.....	do.....	31.85
4	Margaret J. Ryan.....	do.....	98.75
4	J. W. Prine.....	do.....	37.55
4	W. Henry Hobson.....	do.....	38.75
4	William H. Mackay.....	do.....	22.05
4	James B. Cook.....	New York, shipment of certificates of deposit.....	12.15
4	C. H. Fullaway.....	do.....	6.15
4	W. H. Turner.....	Instruction.....	34.65
4	Fred H. Atwood.....	do.....	58.35
4	Ulysses Hanna.....	do.....	14.88
4	Frank A. Fales.....	do.....	37.95
4	Adolph Fehrman.....	do.....	60.60
4	Albert M. Smith.....	do.....	75.75
4	Richard B. Lang.....	do.....	96.00
4	Henry Tichenor.....	do.....	60.35
14	William W. Harper.....	do.....	180.27
28	Robert A. Emmett.....	do.....	240.35
Mar. 11	W. L. Leonard.....	do.....	219.80
May 2	H. H. Thompson.....	New York, shipment of certificates of deposit.....	7.00
2	Clinton D. Grinols.....	Instruction.....	11.76
2	J. A. Eggborn.....	do.....	4.00
4	George A. Warner.....	do.....	11.25
4	C. H. Fullaway.....	New York, shipment of certificates of deposit.....	5.35
4	C. J. Butler.....	Instruction.....	6.80
8	John T. Welch.....	do.....	10.70
8	Charles R. Reese.....	do.....	17.49
8	Sam S. Fifield.....	do.....	20.75
8	Roy P. Smith.....	do.....	12.70
8	Thomas B. Morris.....	do.....	8.83
8	R. S. Lewis.....	do.....	9.05
11	Joseph Iredale.....	do.....	22.35
11	J. P. Overman.....	do.....	18.25
11	J. T. Charnley.....	do.....	9.80
11	Thomas J. Darling.....	do.....	26.60
11	William R. Miller.....	do.....	10.20
11	Frank A. McCoy.....	do.....	8.78
11	Ira E. Tash.....	do.....	20.69
20	Cassius M. Cade, jr.....	do.....	21.75
20	James R. White.....	do.....	30.55
20	Michael E. Cassidy.....	do.....	46.10
20	John R. Barclay.....	do.....	20.65
20	R. L. Philbrick.....	do.....	3.86
20	Louis Waldauer.....	do.....	28.30
20	J. J. Carney.....	do.....	32.90
20	Arthur W. Campbell.....	do.....	39.04
20	C. H. Roberts.....	do.....	12.70
20	E. C. Haynes.....	do.....	13.95
20	John W. Call.....	do.....	10.90
20	John M. Wiley.....	do.....	43.60
20	V. L. Bacon.....	do.....	9.84
20	Richard Daeley.....	do.....	14.20
20	C. E. Houk.....	do.....	15.44
20	George A. Alba.....	do.....	15.10
	Total.....		5,136.01

Statement of expenditures, except for salaries, etc.—Continued.

C.—SECRETARY OF THE TREASURY.

Date paid.	Purpose.	Amount.
1911.		
Apr. 25	Printing stamps, etc. (by transfer and counter warrants).....	\$178.31
May 22	Printing stamps, etc.....	42.07
	Total.....	220.38

EXHIBIT No. 3.

Statement of salaries paid.

(A) IN THE FIELD (OUT OF POSTAL SAVINGS APPROPRIATION).

Salaries for January, paid in February.....	\$4,016.95
Salaries for February, paid in March.....	4,039.73
Salaries for March, paid in April.....	3,938.23
Salaries for April, paid in May.....	3,943.98

(B1) AT WASHINGTON (OUT OF POSTAL SAVINGS APPROPRIATION).

Feb. 4, 1911, Clarence B. Hurrey, January, 1911.....	\$208.33
Feb. 4, 1911, Clarence B. Hurrey, December, 1910.....	62.50
Mar. 6, 1911, Clarence B. Hurrey, February, 1911.....	208.33
Apr. 8, 1911, Harry H. Thompson, March, 1911.....	20.83
Apr. 8, 1911, Clarence B. Hurrey, March, 1911.....	159.72
May 2, 1911, Herbert S. Wood, April, 1911.....	208.33
May 2, 1911, Harry H. Thompson, April, 1911.....	208.33
	1,076.87

(B2) AT WASHINGTON (OUT OF POST OFFICE DEPARTMENT APPROPRIATION).

Jan. 1 to Mar. 27, 1911, H. H. Thompson.....	\$543.75
Jan. 4 to May 15, 1911, W. E. Block.....	660.00
Jan. 1 to May 15, 1911, W. R. Carpenter.....	675.00
Jan. 1 to May 15, 1911, A. S. Calvin.....	675.00
Feb. 7, to May 15, 1911, C. E. Matthews.....	438.35
Jan. 1 to May 15, 1911, C. L. Gable.....	521.60
Jan. 27 to May 15, 1911, Z. M. Smith.....	420.56
Feb. 6 to May 15, 1911, A. C. Chewning.....	385.55
Jan. 9 to May 15, 1911, D. C. Flithian.....	423.33
Jan. 24 to May 15, 1911, W. O. Firoved.....	432.22
Jan. 1 to May 15, 1911, W. H. Pearson.....	521.60
Jan. 1 to May 15, 1911, R. A. Tucker.....	245.00
Feb. 6 to May 15, 1911, W. B. Weaver.....	276.11
Jan. 16 to May 15, 1911, C. F. Wilson.....	400.00
Mar. 13 to May 15, 1911, E. D. Atkinson.....	210.00
	6,828.19

RECAPITULATION.

In the field (out of postal savings appropriation).....	\$15,938.89
At Washington (out of postal savings appropriation).....	1,076.37
Total	17,015.26
At Washington (out of Post Office Department appropriation).....	6,828.19
Grand total.....	23,843.45

EXHIBIT 4A.

Postal savings system—Statement showing number of open accounts, total amount on deposit, and average balance per depositor on April 30, 1911; also total savings cards and stamps sold and redeemed to date.

Relative rank.		Depositories.	Number of open accounts.	Total amount on deposit.	Average balance per depositor.	Cards and stamps sold.	Cards redeemed.
Mar. 31.	Apr. 30.						
1	1	Leadville, Colo.....	486	\$48,955.00	\$100.73	\$43.10	\$30.00
2	2	Anaconda, Mont.....	306	27,482.00	89.81	55.70	34.00
3	3	Globe, Ariz.....	203	21,118.00	104.03	36.10	21.00
4	4	Carthage, Mo.....	216	16,391.00	75.88	41.70	30.00
5	5	Carson City, Nev.....	154	13,136.00	85.30	90.40	69.00
6	6	Pittsburg, Kans.....	160	11,015.00	68.84	115.50	70.00
8	7	Dubois, Pa.....	227	9,896.00	43.55	138.10	94.00
7	8	Johnson City, Tenn.....	154	9,870.00	64.09	46.80	36.00
9	9	Ashtabula, Ohio.....	201	9,570.00	47.61	77.60	41.00
12	10	Pekin, Ill.....	175	8,167.00	46.67	147.20	43.00
10	11	Olympia, Wash.....	105	7,942.00	75.64	38.70	21.00
13	12	Oroville, Cal.....	103	7,805.00	75.78	120.80	19.00
11	13	Norwood, Mass.....	272	7,443.00	27.36	207.30	122.00
14	14	Bessemer, Ala.....	123	5,778.00	46.97	30.00	25.00
15	15	Manitowoc, Wis.....	208	5,647.00	27.15	75.50	51.00
16	16	Coeur d'Alene, Idaho.....	76	5,521.00	72.65	32.10	24.00
18	17	Laramie, Wyo.....	88	4,206.00	47.79	96.00	67.00
17	18	Bristol, R. I.....	112	3,757.00	33.54	114.90	74.00
19	19	Provo, Utah.....	102	3,406.00	33.39	50.00	24.00
20	20	Nebraska City, Nebr.....	99	3,387.00	34.21	37.10	24.00
21	21	Key West, Fla.....	46	3,064.00	66.61	70.20	66.00
22	22	Princeton, Ind.....	83	2,853.00	34.37	32.20	24.00
23	23	Berlin, N. H.....	44	2,636.00	59.91	50.00	25.00
24	24	Brunswick, Ga.....	50	2,442.00	48.84	41.50	27.00
32	25	Gulfport, Miss.....	55	2,019.00	36.71	21.90	18.00
25	26	Rutherford, N. J.....	97	1,955.00	20.15	148.00	80.00
28	27	Klamath Falls, Oreg.....	28	1,767.00	63.11	9.20	.....
26	28	Guymon, Okla.....	32	1,731.00	54.09	17.80	9.00
35	29	Houghton, Mich.....	27	1,698.00	62.88	27.90	6.00
37	30	Middlesboro, Ky.....	75	1,669.00	22.25	182.60	85.00
27	31	Raton, N. Mex.....	40	1,662.00	41.55	31.10	18.00
34	32	Port Arthur, Tex.....	46	1,497.00	32.54	29.60	25.00
29	33	Salisbury, N. C.....	33	1,487.00	45.06	8.90	5.00
33	34	Cohoes, N. Y.....	64	1,414.00	22.09	98.00	62.00
30	35	Deadwood, S. Dak.....	25	1,301.00	52.04	14.40	11.00
31	36	New Iberia, La.....	54	1,190.00	22.04	82.00	68.00
42	37	Decorah, Iowa.....	23	1,058.00	46.00	36.20	9.00
36	38	Bemidji, Minn.....	41	1,046.00	25.51	16.80	11.00
40	39	Grafton, W. Va.....	29	966.00	33.31	17.40	10.00
41	40	Rumford, Me.....	36	870.00	24.17	125.20	109.00
38	41	Ansonia, Conn.....	30	769.00	19.72	27.40	13.00
43	42	Stuttgart, Ark.....	36	637.00	17.69	25.50	21.00
45	43	Wahpeton, N. Dak.....	15	547.00	36.47	2.40	.....
39	44	Montpelier, Vt.....	24	468.00	19.50	21.10	12.00
44	45	Clifton Forge, Va.....	29	433.00	14.93	32.80	7.00
46	46	Frostburg, Md.....	25	379.00	15.16	18.40	1.00
47	47	Dover, Del.....	26	298.00	11.46	55.30	13.00
48	48	Newberry, S. C.....	15	104.00	6.93	16.00	13.00
Total.....			4,707	268,442.00	57.03	2,854.40	1,667.00
Total Mar. 31, 1911.....			4,307	201,961.00	46.89	2,454.30	1,329.00

EXHIBIT 4B.

Statement showing the amount of postal savings funds deposited, including amounts for which depository banks have forwarded certificates of deposit during the month of May, and amounts reported as held by postmasters.

Forty-eight depositories established Jan. 3, 1911:

On deposit in banks Apr. 30, 1911..... \$264,515.02

Held by postmaster at Klamath Falls, Oreg., awaiting bank to qualify..... 1,775.80

Deposited in May, per certificates of deposit received up to May 26..... 54,432.82

Total..... \$320,723.64

Forty-five depositories established May 1, 1911:

Deposited in qualified banks by 38 depository offices, per certificates of deposit received up to May 28-----	\$45,843.00
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Funds received at 7 depository offices up to the week ending May 20, and held by postmasters awaiting banks to qualify-----	8,181.00
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Total -----	48,524.00
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Grand total -----	369,247.64
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EXHIBIT 4c.

Statement of the general operation of the postal savings system, May 27, 1911.

Qualified local banks receiving funds from 93 depositories now in operation..	142
Banks qualified to receive deposits beginning June 1 at new offices-----	20
Other applications approved and now pending final action-----	73
Applications approved and subsequently canceled-----	3
Total-----	238

The board of trustees has accepted from qualified banks bonds to the par value of approximately \$1,320,000 of the classes specified in section 5 of the bank regulations.

There has been a steady increase in the number of depositors and the total amount on deposit each month over the previous month.

The pamphlet of information for depositors has been translated into the Swedish, French, Hungarian (Maygar), Polish, Greek, Italian, Spanish, German, and Danish-Norwegian languages, and others will be added as necessity demands.

The CHAIRMAN. Does any member of the committee wish to interrogate Mr. Weed further as to the postal-savings depositories?

Mr. ALEXANDER. I should like to ask him just a question or two.

During the argument in Congress, emphasis was laid on the fact that there were many communities where they did not have banking facilities, and that one great need for the postal savings-bank depositories was in those communities remote from banks. Is it the intention of the department soon to extend facilities to those communities where they do not have postal savings-bank facilities?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. I suppose, of course, as a rule they would have fourth-class post offices in those communities?

Mr. WEED. I think so.

Mr. ALEXANDER. But the offices that have been installed thus far—that is, the first batch of 48—were largely experimental?

Mr. WEED. Entirely so. In connection with your first question, Judge, I will state that it is the intention of the Postmaster General to extend this service as rapidly as possible, at the rate of at least 100 offices weekly, until we go into the 50,000 money-order offices all over the United States.

Mr. ALEXANDER. If your experience during the first fiscal year demonstrates that the one-half of 1 per cent charged the banks in excess of what the Government pays as interest on deposits will not fully pay for this service, then the rate of interest to banks will be increased, necessarily, will it not?

Mr. WEED. I should think so.

Mr. ALEXANDER. In other words, it is not the intention that this postal savings-bank system shall be maintained out of the Public Treasury, but that it shall be self-supporting?

Mr. WEED. Entirely so.

Mr. McCoy. Exhibit 17, Mr. Weed, shows the sum of approximately \$5,000 paid to various people for instruction and traveling expenses.

Mr. WEED. Yes, sir.

Mr. McCoy. Who are the people, speaking generally, who received that money?

Mr. WEED. They are the postmasters. You will remember that I explained that the first 48 postmasters designated were summoned to Washington from all over the United States to be most carefully instructed in the operation of the system. Since then those 48 postmasters have acted as instructors to the newly designated postmasters in their own States.

Mr. McCoy. Did you testify the other day that no bonds had been bought with any of these deposits, as provided by law? There is a provision to that effect in the law, is there not?

Mr. WEED. Yes, sir.

Mr. McCoy. And none of them have yet been bought?

Mr. WEED. Not yet.

Mr. ALEXANDER. I desire to put in the record a decision by the Auditor for the Navy Department, dated March 27, 1897, and approved by Edward A. Bowers as assistant comptroller on March 30, 1897, relating to the purchase of furniture for the United States, and construing section 3709 of the Revised Statutes as to the necessity for competitive bids, etc. It is found in volume 3 of the Decisions of the Comptroller of the Treasury, at pages 470, 471, 472, and 473.

(The decision referred to is as follows:)

PURCHASES OF FURNITURE FOR THE UNITED STATES MARINE CORPS.

(1) Under the requirements of section 3709, Revised Statutes, purchases of furniture for the United States Marine Corps must, in the absence of an exigency requiring an immediate delivery, be made by advertising for proposals.

(2) When advertisement in newspapers is impracticable, it should be done by circulars, posters, letters, or other effective means of notifying furniture dealers and inviting competitive bids.

(3) Where the public exigency requires the immediate delivery of furniture, and there is not time to solicit or receive competitive bids, the purchasing officer must certify to such exigency and to such lack of time.

(4) Such certificates must not be negatived by the character of the articles purchased, the nature of the necessity for them, or the facts attending the purchase, as disclosed by the voucher and its accompanying papers.

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE TREASURY,
March 30, 1897.

The Auditor for the Navy Department submits the following decision, dated March 27, 1897, for the approval, disapproval, or modification of the comptroller, as required by section 8 of the act of July 31, 1894 (28 Stat., 208):

"I transmit herewith for your consideration:

"1. Vouchers Nos. 427, 428, 637, 639, 664, 700, 710, 816, 817, 818, 881, 958, 961, and 962, in the account of Maj. H. B. Lowry, quartermaster, United States Marine Corps, for the second quarter of 1897, being samples of the kind of vouchers which continually recur in his accounts.

"2. The Navy Department's allowance of furniture circular, dated November 12, 1888, prescribing kinds, quantities, and maximum prices of articles of furniture for Government houses at navy yards and stations.

"3. Copies of correspondence of the quartermaster of the Marine Corps with the Navy Department, the second comptroller, and the fourth auditor in June and July, 1893, showing that the purchase of furniture without advertisement for proposals or the invitation of competitive bids has been allowed.

"This practice has been allowed on the ground that the lack of definite standards of quality, style, and workmanship makes it inconvenient or impracticable to conform to the law requiring the purchase of supplies by contract after advertisement for proposals. In my opinion this construction of the law is unsound.

"Section 3709, Revised Statutes, requires 'all purchases' to be made by advertising when the public exigencies do not require immediate delivery of the articles. Hence the inconvenience or impracticability of making purchases in that manner is entirely irrelevant unless it arises from a lack of time. The difficulty of framing specifications, or making intelligent proposals, or establishing definite standards of quality can not be accepted as an excuse for ignoring the law.

"'When immediate delivery * * * is required by the public exigency, the articles * * * may be procured by open purchase or contract * * * in the manner in which such articles are usually bought or sold * * * between individuals.' (Sec. 3709, R. S.) The general practice in the Army and Navy in such cases is to send invitations on printed forms to dealers, and to post such invitations in public places, soliciting bids for the desired articles. This practice I regard as a sufficient determination by the executive departments of the Government as to what is 'the manner in which articles are usually bought and sold between individuals.' These printed invitations and the bids received thereon, when presented by a disbursing officer with his voucher for the purchase, are the best evidence that the law has been obeyed. The disbursing officer merely does in a formal way what an individual does in an informal way. The inconvenience of these details is not a justification for a failure to observe them.

"The plea of the impracticability of purchasing furniture in accordance with the requirements of section 3709, Revised Statutes, is not only irrelevant, but it is unsound in fact. The Treasury Department purchases quantities of furniture of all kinds by contract, after advertising, as does the War Department; and the Navy Department in all of its other branches secures competitive bids through its pay officers, as is disclosed in the accompanying correspondence. The Marine Corps itself occasionally secures competitive bids by printed invitations for proposals for furniture, with a sensible saving of money. Carpets are capable of perfectly accurate description as to quality, patterns alone being indefinite, and these can be selected from samples furnished with the bids. Stoves, furnaces, and other articles are patented or manufactured under trade-mark names, and are capable of exact description, while nearly all common articles of furniture can be described with sufficient accuracy for the purpose of inviting bids. Officers might be restricted to some extent in the free choice of colors, patterns, and styles, but these are unsubstantial elements, and the law does not contemplate that public officers shall have full liberty to satisfy their personal tastes in the choice of furniture.

"The Navy Department's furniture circular herewith was not intended to command the purchase of furniture that would always cost the maximum limit of price, but it seems to have been so construed by the quartermaster of the Marine Corps in his letter to the Second Comptroller, herewith, dated July 14, 1893. His purchases also carry out that idea. I infer from vouchers in the accounts that generally the officer for whom the furniture is to be procured is allowed to make his own selection up to the maximum limit of price. The circular was issued in 1888, since when there has been a heavy reduction in prices of furniture, but the furniture purchased for the Marine Corps now costs, as a rule, the highest price allowed by the circular. If competitive bids were secured by advertising, as required by law, a considerable reduction of the cost of furniture might be realized.

"It is not my purpose to trespass on the right of the Navy Department to fix the allowances of furniture and the price limits, nor the right of the quartermaster to select the articles allowed, but the manner of making the purchase is prescribed by law, and no agent of the Government has authority to depart from it.

"With the accompanying vouchers of the quartermaster of the Marine Corps are open-purchase requisitions on which the quartermaster certifies that 'the

public exigency requires the immediate delivery of the above articles, and it is ordered that they be procured by open purchase.' A large amount of furniture is bought for the Marine Corps every year, and practically the whole of it is purchased under certified public exigencies requiring immediate delivery. Some of the furniture is for newly constructed quarters, of the necessity for which the quartermaster has certain knowledge long in advance of the time when it is required. Most of the furniture, however, is to replace old furniture which has been condemned by survey. In these cases the old furniture has been in some shape serviceable up to the time of the survey, and it is not unreasonable to assume that it would answer for use until a purchase could be made by advertising. Furthermore, the quartermaster's records and his experience will indicate approximately the quantity of standard articles of furniture that will be required during a fiscal year, especially in the case of carpets, and the stock could be purchased with all the formalities required by law before any pressing emergency arose. An exigency is not created by certificate. Such an exigency as the law contemplates is not created by the inconvenience or irksomeness of making a purchase by advertising if there is time enough. An exigency should involve the necessity for immediate delivery of articles for which there is a pressing demand, which if not met will inflict loss or injury on the public service. Thus, when a survey and condemnation of furniture and a certificate of exigency requiring immediate delivery of new furniture are made several months before the new furniture is purchased, the exigency certificate is valueless. So in the case of a certificate that the public exigencies required the immediate delivery of a lawn mower at the Marine Barracks, Navy Yard, New York, in December.

"I therefore make the following decisions modifying the existing construction of the law governing purchases of supplies, so far as the purchase of furniture for the Marine Corps is concerned, and submit them for your action, as required by the act of July 31, 1894:

"1. Purchases of furniture, in the absence of an exigency requiring immediate delivery, must be made by advertising for proposals.

"2. When advertisement in newspapers is impracticable, it should be done by circulars, posters, letter, or other effective means of notifying furniture dealers and inviting competitive bids.

"3. Where the public exigency requires the immediate delivery of furniture and there is not time to solicit or receive competitive bids, the purchasing officer must certify to such exigency and to such lack of time.

"4. Such certificates must not be negatived by the character of the articles purchased, the nature of the necessity for them or the facts attending the purchase, as disclosed by the voucher and its accompanying papers."

The foregoing decision is clearly in accordance with the law and is hereby approved.

In this connection attention is called to my decision of November 6, 1896 (3 Comp. Dec., 175), in reference to certain expenditures for the Marine Corps, where, in the concluding paragraph, it was said:

"The law expressly requires advertisement in all cases of contracts for services in any of the departments unless there is an emergency requiring an immediate performance of the services, and when that emergency is met, if further services of like character are required, it is the duty of the department in question to enter into a formal contract in compliance with the requirements of the statute, since there is time in which to do this without causing the public interest to suffer by the delay occasioned by such compliance with the statute."

(See also 21 Opin. A. G., 181.)

EDW. A. BOWERS,
Assistant Comptroller.

Mr. McCoy. Just one question more on this postal-savings bank subject: Is my recollection right—if not, will you correct it—in regard to the appointment of some \$600 clerks at the initiation of the establishment of these depositories? I understand that forty-five \$600 clerks were appointed when the first 45 or 48 offices were designated as depositories; or what is the fact?

Mr. WEED. I said that when the first 48 offices were designated, out of extreme caution the Postmaster General transferred from the pos-

tal service to the postal-savings system the money-order clerk in each office, with instructions for him to devote his entire time to the postal-savings work.

Mr. McCoy. For how long?

Mr. WEED. No instructions were given at that time as to that, although it has been determined to discontinue the employment on July 1.

Mr. McCoy. In other words, those money-order clerks will go back as a charge against the Post Office Department on July 1?

Mr. WEED. Exactly.

Mr. McCoy. And to take their place, what will be done?

Mr. WEED. The Postmaster General has authorized the employment of the lowest salaried clerk possible under the appropriations.

Mr. McCoy. And how many?

Mr. WEED. A \$600 clerk in each of the 48 offices.

Mr. McCoy. When these money-order clerks are reassigned to the places which they occupied before, what will become of the 48 additional \$600 clerks?

Mr. WEED. It will depend entirely on the business of the office. As you are well aware, new clerks are assigned to post offices along with the increase in business. If it develops that the postal savings business has been sufficient to justify the employment of an additional clerk, they will be continued in that particular office. If not, they will be absorbed in the expansion of the postal service that is going on all the time all over the United States. We have demands from many offices for additional clerks.

Mr. McCoy. Are they in the classified list?

Mr. WEED. Entirely.

Mr. McCoy. And they took their examinations and were appointed from the civil-service registers?

Mr. WEED. Yes, sir.

The CHAIRMAN. Mr. Weed, just a question or two before you are excused. I should like to have you tell the committee again when you assumed the duties of the chief clerk of the Post Office Department?

Mr. WEED. March, 1910.

The CHAIRMAN. Since the date that you became the chief clerk of the Post Office Department, how many typewriting machines have been received by you for use in the Post Office Department?

Mr. WEED. How many have been purchased?

The CHAIRMAN. Yes.

Mr. WEED. I will supply that information. There have been very few purchased, but there have been many exchanged for new typewriters.

The CHAIRMAN. I should like to have you also state how many have been exchanged, and upon what terms.

Mr. WEED. I shall be glad to do so.

The CHAIRMAN. You understand, then, that we want the number purchased outright, the number exchanged, and the amount allowed on exchange of the old machines.

Mr. WEED. Clearly.

EXHIBIT No. 18.

Statement showing the number (by make) of typewriters purchased by the department since Mar. 1, 1910, together with the make and allowance for typewriters exchanged, and the net cost.

¹ Underwood typewriter
² The date of purchase of records of the companies without a delay of several days.

of characters not furnished on No. 4 machine.
 ad from the department records nor from the

The
 Office
 Mr.
 th

Do you use one particular machine in the Post
 ?
 in the Post Office Department; no; but we do in
 . What machine do you use?

Mr. WEED. In the postal service the Royal typewriter.

The CHAIRMAN. The Royal?

Mr. WEED. Yes.

Mr. McCoy. Why do you use the Royal only?

Mr. WEED. We have used only one type of machine in the postal service during the present fiscal year, because my experience with that machine in the Department of Commerce and Labor proved it to be the equal in the class of work it turns out of any high-priced machine manufactured, or, in other words—to be specific—the equal of the Remington, the Underwood, the Smith Premier, or others; and yet this machine is furnished to the Government at a price considerably less than that of the others.

The CHAIRMAN. At what price?

Mr. WEED. Fifty dollars each in lots of 100.

Mr. ALEXANDER. At this point let me ask you whose duty it is to make purchases of typewriters for the Post Office Department?

Mr. WEED. Judge, that brings up the old question. The administrative act of authorizing the purchase of typewriters for the Post Office Department devolves on the chief clerk. The physical act of purchasing and of supervising the purchase of typewriters and all other supplies devolves on the purchasing agent. The authority for or the direction of the purchase of typewriters in the postal service is lodged in the Fourth Assistant Postmaster General.

Mr. ALEXANDER. Are those typewriters purchased pursuant to notice and bids?

Mr. WEED. Oh, yes; entirely so.

Mr. ALEXANDER. For instance, do you advertise for so many typewriters and invite all makers of typewriters to submit bids?

Mr. WEED. Yes, sir; except that we do not advertise for a specific number.

Mr. ALEXANDER. Then the makers of all the different machines—the Remington, the Underwood, the Smith Premier, etc.—may bid for them?

Mr. WEED. They all have contracts with the Post Office Department; yes, sir. To answer your question specifically, yes, sir; they all bid.

Mr. ALEXANDER. In other words, that is not regarded as an emergency matter.

The CHAIRMAN. Then, as a matter of fact, the Royal typewriting machine has been adopted and put in general use by the Post Office Department largely on your recommendation?

Mr. WEED. Yes, sir.

The CHAIRMAN. I notice in this list of expenditures for the postal savings depository account that you have several different kinds of typewriters in use, purchased for that work.

Mr. WEED. Mr. Ashbrook, pardon me—I said “the postal service.” I drew a distinction, meaning by that the post offices throughout the United States. The Royal typewriter has not been exclusively adopted by the department.

The CHAIRMAN. But for the post offices throughout the United States?

Mr. WEED. Yes, sir. May I, in connection with that matter, say just one word? Mr. Ashbrook asked me if the Royal typewriter was adopted on my recommendation. I should like now, out of

courtesy to Mr. De Graw, to say that it was adopted on his recommendation and on my recommendation, the two of us being of a unanimous opinion.

Mr. REDFIELD. Going back to the matter of possible loss by the improper issuing of certificates by the postmaster: I understand that it is a fact that these certificates have no value in money until they are indorsed and returned?

Mr. WEED. Exactly.

Mr. REDFIELD. And that when they are so indorsed and returned they form a portion of the records of the office?

Mr. WEED. Yes, sir.

Mr. REDFIELD. So that, so long as they were outstanding, the act of a dishonest postmaster in that respect would actually cause the Government no loss?

Mr. WEED. No, sir.

Mr. REDFIELD. If they were not outstanding, that fact must at once appear upon inspection?

Mr. WEED. Exactly. I am very much obliged to you for bringing that out so clearly.

The CHAIRMAN. Has any member of the committee any further questions? If not, Mr. Weed, you are excused until further notice.

AFTER RECESS.

The committee met at 1.30 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, Redfield, McCoy, and Towner.

Present also: Hon. P. V. De Graw, Fourth Assistant Postmaster General, and Mr. Theodore L. Weed, chief clerk of the Post Office Department.

TESTIMONY OF HON. P. V. DE GRAW, FOURTH ASSISTANT POSTMASTER GENERAL.

(Mr. De Graw was duly sworn by the chairman.)

The CHAIRMAN. Mr. De Graw, what position do you hold in the Post Office Department?

Mr. DE GRAW. That of Fourth Assistant Postmaster General.

The CHAIRMAN. How long have you held such position?

Mr. DE GRAW. Since 1905.

The CHAIRMAN. Prior to your appointment as Fourth Assistant Postmaster General, had you any connection with the Post Office Department?

Mr. DE GRAW. None whatever, sir.

The CHAIRMAN. Over what division of the postal service does the Fourth Assistant Postmaster General have control?

Mr. DE GRAW. He has charge of the rural delivery, the star route contract service, the Division of Dead Letters, the topographical work of the department, and the purchase of all supplies for the postal service throughout the country, also of all matters relating to the establishment, discontinuance, and changes of sites of post offices of the fourth class.

The CHAIRMAN. We wish to make inquiry especially as to the Rural Delivery Service. I notice in the appropriation act for 1910 that

\$37,360,000 was appropriated for the Rural Delivery Service. Will you inform the committee whether or not all of that amount was used for that service? What I desire to know is whether or not this \$37,360,000 appropriated for the Rural Delivery Service was all used and expended in that service—that is, the Rural Delivery Service?

Mr. DE GRAW. Not all of it. There was a certain amount of that appropriation turned back to the Treasury. I think in the neighborhood of \$900,000. I am not sure as the figures.

(NOTE.—Mr. De Graw subsequently gave the exact figures as \$360,142.66.)

The CHAIRMAN. Why was it not used for the service for which it was appropriated?

Mr. DE GRAW. Because it was not needed.

The CHAIRMAN. Were all of the rural routes that had been recommended during that year established? To make myself clear, were all of the rural routes that had been recommended and approved established during the life of that appropriation—the fiscal year ending June 30, 1910?

Mr. DE GRAW. All that could be consistently established in the interest of good administration.

The CHAIRMAN. Explain, if you will, as briefly as you can, what you mean by “consistently established”?

Mr. DE GRAW. First of all, there was an order issued to establish the Division of Rural Mails, to consist of the Divisions of Star Route Contract Service and Rural Delivery Service; the two services to be merged under one head. The idea was that that merger should take effect on the 1st of July, 1910. The department became involved in a great deal of clerical work as a result of many calls upon it by Congress, and otherwise; and it was not feasible to make that merger on the 1st of July, nor did it become feasible to do so until the 1st of October, 1910.

Pending the consummation of that merger it certainly would not have been in the interest of good administration to establish rural routes or star routes unless we were absolutely sure that they would not conflict with one another after the merger had been effected, the purpose of which was to give the people the best possible service, either under contract or under rural delivery. Hence the amount turned back into the Treasury represented the number of routes which it was not deemed feasible to establish up to the time of the expiration of the fiscal year.

The CHAIRMAN. Had a sufficient number of routes been recommended and approved to absorb the \$900,000 turned back into the Treasury if the conditions had been favorable, as stated by you?

Mr. DE GRAW. Had it not been for that merger, I believe the money would have been expended.

Mr. ALEXANDER. Explain to the committee what you mean by the project for the merger of the rural-delivery and the star-route service. Was it the intention to substitute the star-route service for the Rural Delivery Service in certain communities?

Mr. DE GRAW. No, sir; it was not so intended.

Mr. ALEXANDER. I say, explain to the committee what you mean by that. What was this matter that was up for consideration, that held up these approved projects for the extension of the free Rural Delivery Service?

Mr. DE GRAW. The star-route contract service has for its function the carrying of mail from one post office to another post office. Incidentally, under the law it may, if requested by the patrons on the route, deliver mail to boxes that they may establish between these offices for which the star-route service is contracted. On the other hand, rural delivery is directly the opposite. The function of rural delivery is to go from one office and make a circuit back to that office, delivering en route, and perhaps incidentally delivering a pouch to a post office en route. There were certain recommendations pending when this merger was decided upon, but they had not been investigated; and until we felt sure that the whole matter was going to be under the bureau of the Fourth Assistant Postmaster General we did not feel safe—and I do not consider that it would have been good business—in going ahead and establishing routes of Rural Delivery Service. At that time we did not have anything to do with the star-route service, and did not feel that we should take this action until we actually had assumed charge of that service, which we were expecting from month to month. But as I say, the transfer, or merger, was deferred owing to the great mass of work that the clerks were given to do, so that we could not accomplish it before October, 1910.

You will understand, Mr. Congressman, that the star-route service carries an appropriation of \$8,000,000, while the Rural Delivery Service this year carries an appropriation of \$39,000,000.

The sections of the two divisions involved—12 or 15 sections, I think—had to be arranged so that their work would dovetail together. We did not want to establish service in a community and have to take it out because another service would be more appropriate for that particular community. Therefore we adopted what we thought was the best policy, and that in the interest of good administration, and did not expend the money, because we did not think it could be expended wisely under the conditions.

The CHAIRMAN. Prior to that time the star-route service was under what department or bureau?

Mr. DE GRAW. Under the Bureau of the Second Assistant Postmaster General.

The CHAIRMAN. And when did it come under the control of the Fourth Assistant?

Mr. DE GRAW. The 1st of October last.

The CHAIRMAN. 1910?

Mr. DE GRAW. 1910.

The CHAIRMAN. That merger has been consummated, so that it is now no longer an obstacle in the way of establishing rural routes?

Mr. DE GRAW. None, whatever; no, sir.

The CHAIRMAN. I should like to have you inform the committee as nearly as you can, Mr. De Graw, how this amount of \$900,000 which reverted to the Treasury for the fiscal year ending June 30, 1910, compares with 1909 and 1908. In other words, was there any amount that reverted to the Treasury during the years 1909 and 1908 that was appropriated for Rural Delivery Service?

Mr. DE GRAW. There has always been some amount that reverted to the Treasury, running from \$100,000 up.

The CHAIRMAN. Up to what?

Mr. DE GRAW. Up to, say, eight or nine hundred thousand dollars, if those are the figures. I will not be sure of that. I do not want to be held to that. I will give you the exact figures from the office, if you wish.

The CHAIRMAN. You think, however, that the sum that reverted for the year 1910 was the largest that ever had reverted from your bureau?

Mr. DE GRAW. No; I think one year there was over a million dollars that went back to the Treasury, but I can not state just what year it was.

[NOTE.—Mr. De Graw subsequently advised the committee that at the end of the fiscal year 1907 there was turned back to the Treasury of the amount appropriated for rural delivery \$1,597,221.38.]

The CHAIRMAN. Do you recall why such a large amount reverted to the Treasury?

Mr. DE GRAW. Simply because we did not get through with the work of investigating the routes.

Mr. ALEXANDER. During the consideration of the last Post Office appropriation bill in the House it was frequently asserted that there were more than 1,000 approved projects for the extension of the Rural Delivery Service in the department, and the people were denied the service, although the appropriation had been made by Congress. You doubtless knew of that?

Mr. DE GRAW. Yes, sir.

Mr. ALEXANDER. And it has resulted in severe criticism of the Post Office Department. Is it true that there are more than 1,000 approved projects for the extension of the Rural Delivery Service where the service has not yet been installed?

Mr. DE GRAW. Taking everything into consideration, I think that is true; yes, sir.

Mr. ALEXANDER. Is it not true that Congress made the appropriation to cover this additional service? And do not the appropriation bills carry it?

Mr. DE GRAW. There is no question about that, sir. It is also true that practically all cases which have been investigated and approved have been ordered established upon dates already fixed.

Mr. ALEXANDER. Then, why has not this service been installed, in compliance with the will of Congress?

Mr. DE GRAW. Simply for one reason: That is, that the service has not yet been fully examined by a representative of the department as to how it shall be installed. In other words, before a route is established by the Fourth Assistant Postmaster General, it has to be examined by an inspector and reported upon. The routes to which you refer as having been reported upon and ready for installation—having been approved, as you stated—have been installed, or a date has been fixed for installation; but in my affirmative answer to your question as to whether or not there are a thousand routes yet to be installed, I said that, taking everything into consideration, I believed that to be true.

Mr. ALEXANDER. They have been inspected?

Mr. DE GRAW. They have not been inspected. That is the reason.

Mr. ALEXANDER. Do you approve them before they are inspected?

Mr. DE GRAW. No, sir. I said that the 1,000 routes which you stated had been approved, and which it had been stated in Congress

had been approved, have been installed, or a date for installation has been fixed; but there are still perhaps more than 1,000 petitions pending for routes which have not yet been installed, because they have not yet been inspected.

Mr. ALEXANDER. You say provision has been made for them in the appropriation bill?

Mr. DE GRAW. Yes, sir.

Mr. ALEXANDER. About how much money would that involve if they had been installed—what additional expenditure?

Mr. DE GRAW. To which do you refer?

Mr. ALEXANDER. Suppose these 1,000 approved routes had been installed, what additional expense would it involve?

Mr. DE GRAW. About \$700,000; in that neighborhood.

Mr. ALEXANDER. Not more than that?

Mr. DE GRAW. Probably not.

Mr. ALEXANDER. Of course it is fair to assume that communities are not receiving the desired postal facilities by reason of the withholding of this service, although appropriation has been made in the appropriation bills for its installation. What we are trying to get at is to find out where the economies in the service are. Do they result from withholding from the people the service to which they are entitled, or are they economies in administration?

Mr. DE GRAW. I have never known, Mr. Congressman, that there was any disposition on the part of the administration to withhold any service for which an appropriation had been made, except for the reason that I have explained. Certainly you would not have had me, as the officer in charge of that appropriation, and responsible for it, install routes pell-mell simply because there was an appropriation therefor when I did not know whether the service should be a contract service or a rural-delivery service. I think you will agree that that would not have been good business or in the interest of careful administration.

Mr. ALEXANDER. I supposed you would not approve a route until you had first determined whether it should be a rural-delivery or a star-route service.

Mr. DE GRAW. That is the point exactly. That is the reason we could not proceed more rapidly and that is the reason we fell behind in the particular work referred to.

Mr. MCCOY. Let me ask just one question here that will help me understand this matter. What is an approved route, as contrasted with an inspected route?

Mr. DE GRAW. It is designated in that way after an inspector has recommended it. An inspector goes out in the field, takes up a route that is proposed by the patrons in that community, makes an examination, and reports to his superintendent what, in his judgment, would be the best method of procedure and the routing of that particular case. In other words, the inspector reports the exact line of travel which is most feasible for the route to follow in order to serve the greatest number of patrons.

Mr. MCCOY. That is an approved route?

Mr. DE GRAW. When it comes to the department that is a route approved by the inspector. Sometimes, before that inspector's report is received, there is another inspector's report on a route in another section, which takes in some part of the route described; hence that

condition has to be adjusted before we can install the two routes involved. All those difficulties enter into the approval of the service, and of course we can not pass a route for installation until an officer of the department advises us as to its most desirable routing.

Mr. McCoy. When an inspector does as you have just stated—goes over and approves a route in the way that you have mentioned and described—what is the next step in the process of determining the matter one way or the other?

Mr. DE GRAW. Then it comes before the Fourth Assistant Postmaster General for approval or disapproval.

Mr. McCoy. Yes; and after you have received that report, do you have a further inspection made, or do you simply first find out whether the two inspectors' approved routes overlap each other, and then determine what you will do?

Mr. DE GRAW. That is always reviewed very carefully in the section to which the route is referred before it comes to the Fourth Assistant. It comes from the inspector to the superintendent of rural mails. There it is referred to the section in which the State involved is located. They take the maps and make sure that these routes do not in any way conflict with each other. When they find that it is "clear sailing," so to speak, the superintendent recommends the passing of the case for the approval of the Fourth Assistant Postmaster General.

Mr. McCoy. When a recommendation of that kind comes to you, what are your duties in the matter?

Mr. DE GRAW. My duties are to approve it, or, if I know of anything to the contrary, to call up the case and show why it should not be approved.

Mr. McCoy. Do you make any further investigation of the matter, unless from your knowledge of the department you happen to know something that would make it seem that you ought to investigate it further?

Mr. DE GRAW. No, sir.

Mr. McCoy. In other words, generally speaking, you act on the recommendation of the superintendent who makes this report, after going over the inspector's report?

Mr. DE GRAW. Ordinarily.

Mr. McCoy. Ordinarily, I mean. Of course there may be exceptions.

Mr. DE GRAW. Yes.

Mr. ALEXANDER. Right at that point I should like to ask how many rural routes which were approved by you during the fiscal years 1910 and 1911, and for which appropriations have been made, have not been installed?

Mr. DE GRAW. I think in the neighborhood of 1,600.

Mr. ALEXANDER. I have heard various estimates, but I never knew anything about it.

The CHAIRMAN. They have been approved by you?

Mr. DE GRAW. Yes, sir.

The CHAIRMAN. And they have not been installed?

Mr. DE GRAW. Oh! no; I misunderstood the question. I should like to explain, Mr. Congressman, that the installation of a rural route takes from 30 to 90 days after it has been approved, in order

that the Civil Service may designate a carrier, and that all the details shall be correct.

Mr. ALEXANDER. Then I will modify the question in this way: How many have been approved by you but no steps have yet been taken for their installation?

Mr. DE GRAW. I do not think there is one.

Mr. ALEXANDER. Then please answer the question, how many have been approved and have not been installed for which appropriations have been made?

Mr. DE GRAW. Perhaps less than 300.

Mr. ALEXANDER. Then what would you intend your figures of 1,600 to apply to?

Mr. DE GRAW. The figures of 1,600 would apply to rural delivery cases where applications for the service have been received, passed upon as worthy of inspection, and referred by my bureau to the chief inspector for investigation and report.

Mr. ALEXANDER. Can you furnish the committee with the number of cases where applications for rural delivery have been approved by you and have not been installed, and the date when they were approved by you, and the States in which they are located?

Mr. DE GRAW. Yes, sir.

Mr. ALEXANDER. We will be glad for you to do so, to go in the record. Can you also furnish the committee a list of the approved petitions for Rural Delivery Service which are now in process of being installed and the States in which they are located?

Mr. DE GRAW. Yes, sir.

Mr. ALEXANDER. I will ask to have them incorporated in the record in connection with your answer.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 8, 1911.

HON. WILLIAM A. ASHBROOK,

*Chairman Committee on Expenditures in the Post Office Department,
House of Representatives.*

MY DEAR MR. ASHBROOK: In compliance with the request you made of the Fourth Assistant Postmaster General during the recent hearings before your committee I inclose herewith a statement showing the balances of appropriations for Rural Delivery Service that have reverted to the Treasury at the close of the fiscal years from 1897 to 1910, inclusive; a statement showing the growth of the Rural Delivery Service from its inauguration to the present date; a list by States of petitions for rural service that have been referred to the field for investigation; a list of proposed rural routes that have been approved by the Postmaster General and are in process of establishment; and a list of rural routes recommended for establishment by inspectors and not yet reviewed by the department.

Of 914 proposed routes investigated and reported on during the 11 months ended June 1, 850 have been approved and ordered established, leaving only 64 reports to be acted on. Of the 850 routes approved 582 are already in operation and 268 in process of establishment. There are at present under investigation in the field 1,755 petitions for rural service. The total number of rural routes on the 1st of June last, including 268 routes in process of establishment, was 41,929.

The expenditures for Rural Delivery Service in the fiscal years 1909 and 1910 were the largest on record, amounting, respectively, to \$35,594,801.62 and \$36,977,709.90, while the unexpended balances reverting to the Treasury were decidedly smaller than for several years. The amount unexpended during the last two fiscal years (1909 and 1910) was less than 1 per cent of the appropriations for those two years.

Yours, very truly,

FRANK H. HITCHCOCK.

EXHIBIT No. 19.

ALABAMA.

Petitions for rural service referred to chief inspector for investigation :

Arkwright (2).	Fairhope.	Oakhill.
Autaugaville.	Fayette.	Orrville.
Batesville.	Felix.	Piedmont.
Battles Wharf.	Geneva (2).	Pink.
Beatrice.	Goshen.	Randolph.
Blossburg.	Henagar.	Red Level.
Boaz (2).	Houston.	Rutherford.
Brantley.	Hurtsboro.	Sandrock.
Brennan.	Jacksons Gap.	Seale (2).
Burnsville.	Jones Mill.	Summerfield.
Campbell.	Louisville.	Theodore.
Carson.	Luverne.	Titus.
Chavies.	Magnolia Springs.	Tuscaloosa.
Chunchula (2).	Millerville.	Union.
Coatopa (2)	Minter.	Village Springs.
Dadeville.	Montevallo.	Wilmer.
Eldridge.	Mount Andrew.	Woodville.
Enterprise.	Newbern.	York.
Ethelsville.	New Decatur.	
Fackler.	New Hope.	

Proposed rural routes approved and in process of establishment :

Cherokee.	Jeddo.	Quinton.
Forkland.	Leighton.	Riverton.
Hackleburg.		

Routes favorably reported by inspectors but not yet reviewed : None.

ARIZONA.

Petitions for rural service referred to the chief inspector for investigation :

Douglas.	Phoenix.	Safford.
Glendale.		

Proposed rural routes approved and in process of establishment : Not any.

Routes favorably reported by inspectors but not yet reviewed : Not any.

ARKANSAS.

Petitions for rural routes referred to chief inspector for investigation :

Adona.	Dover.	New Edinburg.
Alicia.	England.	Nogo.
Amity.	Enola.	Paragould.
Atkins (2).	Eureka Springs.	Paris.
Augusta (2).	Foreman.	Peach Orchard.
Batavia.	Frenchmans Bayou.	Rector.
Batesville.	Gainesville.	Reyburn.
Bearden (2).	Genoa.	Rison.
Bigelow.	Glenwood.	Romance.
Bingen.	Grannis.	St. Francis.
Biscoe.	Greenwood (2).	Scottsville.
Blackton.	Griffithville.	Scranton (2).
Blakemore.	Hagler.	Sherrill.
Board Camp.	Hardy.	Shoal Creek.
Cale.	Harrison.	Sidon.
Camden.	Hazen.	Slocumb.
Canehill.	Higden.	Springfield.
Carlisle.	Hope.	Stephens.
Cecil.	Horatio.	Taylor.
Center Point.	Houston.	Ulm.
Charleston.	Knobel.	Waldo.
Collins.	Lafe.	Walnut Ridge.
Colt.	Lewisville.	Warren.
De Queen.	London.	Wideners.
Des Arc (2).	Mist.	Williford (2).
De Witt.	Mount Moriah.	

Proposed rural routes approved and in process of establishment:

Barling (route No. 1).	Mayflower (route No. 2).	Tuckerman (route No. 1).
Blytheville (route No. 1).	Monette (route No. 1).	
Conway (loop) (route No. 7).	Piggott (route No. 5).	West Point (T. W.) (route No. 1).
Damascus (route No. 2).	Stuttgart (route No. 4).	
Gainesville (route No. 1).	Summers (route No. 3).	
	Sulphur Rock (T. W.) (route No. 1).	

Routes favorably reported by inspectors but not yet reviewed:

Formosa (route No. 1).	Stover (route No. 2).	Havana (route No. 2).
Goshen (route No. 1).		

CALIFORNIA.

Petitions for rural service referred to the chief inspector for investigation:

Atwater.	Herndon.	Paige.
Beaumont.	Imperial.	Redding.
Corcoran.	Irvington.	Tulare.
Gridley.	Lafayette.	
Hanford (2).	Nordhoff.	

Proposed rural routes approved and in process of establishment:

El Centro (2).	Lindsay (2).	Paso Robles.
Heber.	Livermore.	

Routes favorably reported by inspectors, but not yet reviewed:

Elk Grove.	Orland.	Stockton.
Florin.	Simi.	Winters.

COLORADO.

Petitions for rural service referred to the chief inspector for investigation:

Arena.	Flagler.	Otis.
Bethune.	Fleming.	Paoli.
Bovero.	Haxtum.	Parker.
Clifton.	Keota.	Rifle.
Brunker.	La Junta.	Silt.
Calhan.	Limon.	Stratton.
Del Norte.	Mancos.	Vona (2).
Dolores.	Meeker.	Yoder.
Edgewater.	Montevista.	

Proposed rural route approved and in process of establishment: Ovid.

Route favorably reported by inspectors, but not yet reviewed: Pierce.

CONNECTICUT.

Petitions for rural service referred to chief inspector for investigation:

Bethlehem.	Norwalk.	Sterling.
Litchfield.	Somers.	Thomaston.

Proposed rural route approved and in process of establishment: Mystic.

Route favorably reported by inspectors, but not yet reviewed: North Windham.

FLORIDA.

Petitions for rural service referred to the chief inspector for investigation:

Alachua.	Highsprings.	Newburn.
Altha (2).	Hinson.	Panama Park.
Aucilla.	Hosford.	Quincy.
Barberville.	Jay.	River Junction.
Burbank.	Jennings.	Sanderson.
Campbellton.	Laurelhill.	Sanford.
Chicora.	Lawtey.	Sneads.
Compass Lake.	Leesburg.	Tallahassee.
Cypress (2).	Lottleville.	Telogia.
Dade City.	Lulu.	Trenton (2).
Deerland.	McIntosh.	Wade.
East Palatka.	Marianna.	Wauchula.
Fort White.	Marietta.	White Springs.
Greensboro.	Mayo.	
Havana.	Monticello.	

Proposed rural routes approved and in process of establishment:

Arran.	Caryville.	Wilmarth.
Brooker.	Sneads.	Woodville.

Routes favorably reported by inspectors, but not yet reviewed: Grand Ridge and Miami.

GEORGIA.

Petitions for rural service referred to chief inspector for investigation:

Adams Park.	Flint.	Newton.
Adel.	Folkston.	Nicholls.
Alma.	Fowlstown.	Omaha.
Alston.	Glennville.	Pembroke.
Arlington.	Goggansville.	Popes Ferry.
Atkinson.	Grovetown.	Pretoria.
Bainbridge.	Haddock.	Quartz.
Beach.	Hazlehurst.	Rincon (2).
Beards Creek.	Helena.	Roberta.
Blackshear.	Hephzibah (2).	Rock Spring.
Blun.	Hull (2).	Roding.
Bogart.	Jacksonville.	Sardis (2).
Brinson.	Juliette.	Smithville (2).
Bristol.	Kingsland.	Springfield.
Broxton.	Knoxville.	Sylvania.
Campa.	Leesburg.	Thomson (3).
Chauncey.	Louvale.	Tiger.
Coffee.	Ludowici.	Towns.
Dahlonega (2).	Mathis.	Trenton.
Daisy.	Menlo.	Warwick.
Dawsonville.	Meriwether.	Waynesboro.
Dillard.	Midville.	White Plains.
Douglas.	Milan (2).	Willacoochee.
Ellijay.	Mineral Bluff.	Williamsburg.
Elza.	Moniac.	Winnie Davis.
Flemington.	Mountain City.	

Proposed rural routes, approved and in process of establishment:

Barnesville.	Danburg.	Washington.
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Routes favorably reported by inspectors, but not yet reviewed:

Adairsville.	Hortense.	Resaca.
Calhoun.	Oakman.	White (2).

IDAHO.

Petitions for rural service referred to the chief inspector for investigation:

Buhl.	Kuna.	Preston.
Cottonwood.	Lewiston.	Rexburg.
Downey.	McCall.	Southwick.
Filer.	Melrose.	Troy.
Gifford.	Meridian.	Turner.
Heyburn.	New Plymouth.	Viola.
Jerome.	Parma.	Wallace.
Kooskia.	Peck.	Weston.

Proposed rural routes approved and in process of establishment:

Buhl.	Rathdrum.	Vollmer.
Burley (3).		

Routes favorably reported by inspectors, but not yet reviewed: Not any.

ILLINOIS.

Petitions for rural service referred to the chief inspector for investigation:

Albers.	Nebo.	Sublet.
Elgin.	Olive Branch.	Wenona.
Griggsville.	Pearl.	Yorkville.

Proposed rural routes approved and in process of establishment:

Galva.	Oliver.	Toledo.
Indianola.		

Routes favorably reported by inspectors, but not yet reviewed:

Rockford.	Shawneetown.	Sparks Hill.
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INDIANA.

Petitions for rural service referred to chief inspector for investigation:

Demotte.	Lincoln City.	Rensselaer.
Evanston.	Marion.	St. Joe.
Fair Oaks.	Mount Ayr.	Solsberry.
Ferdinand.	Otisco.	Story.
Hobart.	Otto.	Unionville.
Huntingburg.	Paoli.	Westville.
Lagro.	Paragon.	Wolcott.

Proposed rural routes approved and in process of establishment: None.

Routes favorably reported by inspectors but not yet reviewed: Kniman and New Trenton.

IOWA.

Petitions for rural routes referred to chief inspector for investigation:

Bloomfield.	Maquoketa.	Spirit Lake.
Garden Grove.	Monmouth.	Toronto.
Klemme.	Spaulding.	

Proposed rural routes approved and in process of establishment: None.

Routes favorably reported by inspectors but not yet reviewed: None.

KANSAS.

Petitions for rural service referred to the chief inspector for investigation:

Admire.	Hardtner.	Protection.
Amy (2).	Healy.	Ruleton.
Bala.	Hill City.	Russell Springs.
Chanute.	Isabel.	Spearville.
Codell.	Kanorado.	Stilwell.
Corwin.	Kendall.	Studley.
Dighton.	Lenora.	Utica.
Duquoin.	McCracken.	Victoria.
Edmond.	Marienthal.	Zurich.
Gorham.	Ogallah.	
Grigsby.	Plains.	

Proposed rural routes approved and in process of establishment:

Cimarron (2).	Plains.	Russell Springs.
Fowler.		

Route favorably reported by inspectors but not yet reviewed: Seward.

KENTUCKY.

Petitions for rural service referred to chief inspector for investigation:

Albany.	Bryan.	Dunmor.
Alexandria.	Calhoun.	East Eagle.
Almo (3).	Casky.	Fancy Farm.
Bedford (2).	Catlettsburg.	Florence Station.
Belmont.	Cave City.	Fordsville.
Berea.	Centertown.	Fountain Run.
Bloomfield.	Columbia.	Gamallel.
Bondville.	Corbin.	Garfield.
Bowling Green.	Cornishville.	Georgetown.
Bremen.	Crofton.	Gilbertsville.
Bristow.	Dundee.	Glasgow.

Grant.	Lowes.	Sedalia.
Hardin.	McHenry.	Spottsville.
Hardyville.	Magnolia.	Springdale.
Hartford.	Morgantown.	Stinnett.
Holland.	Millwood.	Summer Shade (2).
Hopkinsville.	Nebo.	Tompkinsville (3).
Horse Branch.	New Concord.	Verona.
Indian Fields.	Nortonville.	Walbridge.
Island.	Pine Knot.	Webster.
Job.	Rabbit Hash.	West Louisville.
Jonesville.	Redhouse.	Williamsburg.
Lewisburg.	Rockholds.	Zion.
Lockwood.	Rumsey.	
Loretto.	Scottsville (2).	

Proposed rural routes approved and in process of establishment: Kuttawa and Salem.

Routes favorably reported by inspectors, but not yet reviewed:

Crap Orchard.	Eddyville.	Erlanger.
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LOUISIANA.

Petitions for rural service referred to chief inspector for investigation:

Ashland.	Haynesville.	Pelican.
Atkins.	Houma.	Pride.
Baldwin.	Jonesboro.	Robson.
Beekman.	Kentwood.	Rodessa.
Belledean.	Lecompte.	Rupla.
Bethany.	Lillie.	Ruston.
Blanchard.	Livonia (2).	St. Francisville.
Bolivar.	Logansport.	Saline.
Calvin.	Manafield.	Shreveport.
Clinton.	Mer Rouge.	Sicily Island.
Crew Lake.	Merryville.	Slaughter.
Donaldsonville (2).	Morrow.	Summerfield.
Echo.	Mount Herman (2).	Vidalia.
Edith.	Natchez.	Warnerton.
Franklinton.	Noble.	White Castle.
Gilbert.	Onvil.	Winnsboro.
Grand Cane.	Opaloussa.	Wyatt (2).
Grove.	Orange.	Zachary (2).
Gueydan.		

Proposed rural routes approved and in process of establishment:

Arcadia (route No. 3).	Elton (route No. 1).	Houma (route No. 1).
Arnaudville (route No. 1).	Farmerville (route No. 3).	Pioneer (route No. 1).
Bellrose (route No. 1).	Heflin (route No. 1).	Wilson (route No. 1).
Denham Springs (route No. 1).	Hope Villa (route No. 1).	

Routes favorably reported by inspectors, but not yet reviewed: None.

MAINE.

Petitions for rural service referred to chief inspector for investigation:

East Machias.	Mapleton.	South West Harbor.
Fort Kent.	Monson.	Surry.
Island Falls.	North Leeds.	Tennants Harbor.
Leeds.	Perham.	
Lille (formerly Lower Grand Isle).	Presque Isle.	
	Solon.	

Proposed rural routes approved and in process of establishment: None.

Route favorably reported by inspectors, but not yet reviewed: South Millot.

MARYLAND.

Petitions for rural service referred to chief inspector for investigation:

Frostburg.	Leonardtown.	St. Inigoes.
Kingston.	Quantico.	

Proposed rural routes approved and in process of establishment: Glendale and Oldtown.

Route favorably reported by inspectors, but not yet reviewed: Berwyn.

MASSACHUSETTS.

Petitions for rural service referred to chief inspector for investigation:

Amherst.	East Douglas.	North Adams.
Barre.	East Longmeadow.	Pittsfield.
Charlton.	Leyden.	Tewksbury.

Proposed rural routes approved and in process of establishment: None.

Route favorably reported by inspectors but not yet reviewed: Vineyard Haven.

MICHIGAN.

Petitions for rural service referred to the chief inspector for investigation:

Bark River.	Kaleva.	Ogontz.
Bitley.	Lake George.	Onaway.
Brutus.	Lilley.	Osceola.
Crump.	Lupton.	Reed City.
Escanaba.	Manistee.	South Branch.
Hillman.	Metz.	
Hockaday.	Mikado.	

Proposed rural routes approved and in process of establishment: Freesoll and Marquette.

Routes favorably reported by inspectors but not yet reviewed:

Bates.	Rodney.	West Branch.
Big Rapids.		

MINNESOTA.

Petitions for rural service referred to chief inspector for investigation:

Adrian.	Hibbing.	Pequot.
Argyle.	Karlstad (1 petition; 1 reopened case).	Prosper (reopened).
Bagley (2).	Kerkhoven.	St. Charles (reopened).
Breckenridge.	Mahnomen.	Strandquist.
Clearbrook (2).	Menahga.	Wabasha.
Dakota (reopened).	Mound Prairie.	Warren (reopened).
Donaldson.	Nevis (2).	Zumbro Falls.
Georgetown.	Newfolden.	
Greenbush.		

Proposed rural routes approved and in process of establishment:

Austin (route No. 7).	Elkton (route No. 1).	Twin Valley (route No. 3).
Dawson (route No. 5).		

Routes favorably reported by inspectors but not yet reviewed: None.

MISSISSIPPI.

Petitions for rural service referred to chief inspector for investigation:

Agricola.	Biloxi.	Cascilla (2).
Ackerman.	Blands.	Cheraw.
Algona.	Brookhaven.	Clarksburg.
Beach.	Bucatanuna (3).	Cliftonville.
Alligator.	Busyton.	Clyde.
Battlefield.	Calhoun City.	Coffeeville.
Baxterville.	Carson.	Conehatta.

Crystal Springs.	Hub.	Rio.
Daniel (no office).	Increase.	Rosehill.
De Kalb.	Ittabena.	Sarepta.
Derma.	Jackson.	Scooba.
Dossville.	Lake Como.	Shaw.
Duncan.	Leakesville.	Shivers (2).
Ecru.	Lexie.	Shuqualak (2).
Elliott.	Liberty.	Sibleyton.
Ellisville.	Linton.	Silver Creek.
Enondale.	Louisville.	Sontag.
Enterprise.	McLain.	Summerland (2).
Epley.	McLaurin.	Sumrall.
Estes Mill.	Madison Station.	Taylor.
Estabutchie (2).	Marydell.	Taylorville.
Etta.	Matherville.	Terry.
Fannin.	Mendenhall.	Thaxton.
Florenceburg.	Merrill.	Tomnolen.
Forest.	Mize.	Toomsba.
Gatesville.	Monticello.	Torrence.
Gitano.	Morton.	Tunica.
Glendora.	Neshoba (2).	Tutwiler.
Goodman.	Newhebron.	Tylertown.
Grenada (2).	Oloh.	Tyro.
Hardy Station.	Ollie.	Vicksburg.
Harrisville.	Pachuta.	Wallfield.
Hathorn.	Panola.	Waterford.
Hattiesburg.	Picayune.	Way.
Hesterville (2).	Pittsboro (2).	Webb.
Hickory.	Polkville.	Weir.
Highpoint.	Poplarville.	West.
Holly Springs.	Puckett.	Wiggins.
Hopewell.	Pulaski.	Willmore.
Houlka.	Raymond.	Zion Hill.

Proposed rural routes approved and in process of establishment:

Air Mount.	Duck Hill.	Nesbitt.
Barlow.	Enid.	Liberty.
Brookhaven.	Enon.	West Point.
Como.	Gholson.	
Crenshaw.	Hamburg.	

Routes favorably reported by inspectors but not yet reviewed: None.

MISSOURI.

Petitions for rural routes referred to chief inspector for investigation:

Alton.	Frohna.	Metz.
Argyle.	Gatewood.	Neelyville.
Bellevue.	Hancock.	Newburg.
Berger.	Harviell.	Pineville.
Biehle.	Hayti.	Richwood.
Bismarck.	Henley.	Rombauer.
Buffalo (2).	Hilderbrand.	St. Genevieve.
Bunker.	Hollywood.	Seventysix.
Cabool.	Jeff.	Steele.
Caruthersville.	Joplin.	Stockton.
Centerville.	Knob Lick.	Trask.
Cross Timbers.	Lanton.	Tuna.
Cuba.	Leasburg.	Vancleave.
Denlow.	Maddix.	Vichy.
Ellington.	Malden.	Warsaw.
Essex.	Marquand.	Wheaton.
Etlah.	Marston.	Winigan.
Farmington.	Meta.	Yount.

Proposed rural route approved and in process of establishment: Oran (route No. 2).

Route favorably reported by inspectors but not yet reviewed: Summersville (route No. 2).

MONTANA.

Petitions for rural service referred to the chief inspector for investigation:

Bloomfield.	Dayton.	Polson.
Broadview.	Fairview.	Victor.
Columbia Falls.	Huntley.	

Proposed rural routes approved and in process of establishment: Farmington and Laurel.

Routes favorably reported by inspector but not yet reviewed: None.

NEBRASKA.

Petitions for rural service referred to the chief inspector for investigation:

Anoka.	Halgler (2).	North Platte (2).
Austin.	Harrison.	Oakdale.
Belgrade.	Inman.	Page.
Bignell.	Long Pine.	Stuart (2).
Bloomfield.	Loup City.	Sumner.
Broken Bow (2).	McCook.	Sunol.
Butte.	Minatare.	Sutherland.
Centerpoint.	Moorefield (2).	Walworth.
Elba.	Morrill.	Weissert.
Freedom.	Newport.	Wolbach.

Proposed rural routes approved and in process of establishment:

Bertrand.	Ewing.	Walthill.
Brady.	Gering.	Wauneta.

Routes favorably reported by inspectors, but not yet reviewed: None.

NEVADA.

Petitions for rural service referred to the chief inspector for investigation: Reno.

Proposed rural routes approved and in process of establishment: Not any.

Routes favorably reported by inspectors, but not yet reviewed: Not any.

NEW HAMPSHIRE.

Petitions for rural service referred to the chief inspector for investigation:

Jefferson.	Newmarket.	Wolfeboro (2).
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Proposed rural route approved and in process of establishment: Lebanon.

Route favorably reported by inspectors, but not yet reviewed: Newport.

NEW JERSEY.

Petitions for rural service referred to the chief inspector for investigation:

Absecon.	Delaware.	Little Silver.
Atsion.	Hightstown.	Milford.
Browns Mills.	Keyport.	Newton.

Proposed rural routes approved and in process of establishment: Trenton (route No. 1) and Westfield (route No. 1).

Routes favorably reported by inspectors, but not yet reviewed: None.

NEW MEXICO.

Petitions for rural service referred to the chief inspector for investigation:

Delphos.	Earlham.	Melrose.
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Proposed rural routes approved and in process of establishment: Not any.

Routes favorably reported by inspectors, but not yet reviewed: Not any.

NEW YORK.

Petitions for rural service referred to chief inspector for investigation:

Ancram.	Elizabethtown.	Oxford.
Brainardsville.	Erin.	Parishville.
Cadyville.	Florence.	Roscoe (returned for supplemental report).
Canajoharie.	Hampton.	Saranac.
Chatham.	High Falls.	Saranac Lake.
Cincinnatus.	Homer.	Smyrna.
Cobleskill.	Jordanville.	Tully.
Colton.	Lake Clear Junction.	Vestal.
Cooksburg.	Morris.	Whitney Point.
Deposit.	Narrowsburg.	

Proposed rural routes approved and in process of establishment:

Berne.	Gloversville.	Red House.
Callicott.	Guilderland Center.	Southold.
Crown Point Center.	Huntington.	Voorheesville.
Delanson.	Orangeburg.	

Routes favorably reported by inspectors, but not yet reviewed:

Brasher Falls.	Dorloo.	Oswegatchie.
Briarcliff Manor.	Gouverneur.	Walton.
Davenport Center.	Grahamsville.	

NORTH CAROLINA.

Petitions for rural service referred to chief inspectors for investigation:

Aberdeen.	Hamlet.	Ridgeway.
Addie.	Hillsboro.	Riverdale.
Aulander.	Jackson Springs.	Rosman.
Bear Creek.	Knightdale.	Round Peak.
Bladenboro.	McGrady.	Roxboro.
Bridgewater.	Maiden.	Roxobel.
Brewers.	Margarettsville.	Shalotts.
Carbonton.	Marion (2).	Siler City (2).
Carpenter.	Mebane.	Sprauls.
Chapel Hill (2).	Mechanic.	Staley.
Chocowinity.	Merrymount.	Stovall.
Old (2).	Mico.	Tomahawk.
Clarendon.	Nebo (3).	University.
Clayton.	New Bern.	Wadesboro.
Cofield.	North Wikesboro.	Warrenton.
Columbia.	Norwood.	Weaverville.
Denton.	Parmelee.	Wests Mill.
Elizabethtown.	Pelham.	Wilkesboro.
Ether.	Raeford.	Winston Salem.
Fair Bluff.	Ranger.	Wise.
Farmer.	Red Springs.	
Forest City.	Richfield.	
Grandview.	Richlands.	

Proposed rural routes approved and in process of establishment:

Bug Hill.	Lake Toxaway.	Raeford.
Castalia.	Marble.	Tarboro.
Durants Neck.		

Route favorably reported by inspectors, but not yet reviewed: Wagram.

NORTH DAKOTA.

Petitions for rural service referred to chief inspector for investigation:

Alden.	Carrington.	Epping.
Alexander (2).	Cayuga.	Fessenden.
Ashley.	Chaseley.	Flasher.
Burt.	Dogden.	Forbes.
Cando (reopened).	Emerado.	Gardena.

Gascoyne.
Geneseo.
Goodrich.
Graber (2).
Hague.
La Moure (2).
Landa.
Leipzig.
Linton.
Lostwood.
McClusky (3).
McHenry.

Mercer.
Niobe.
Omamee.
Osnabrock (reopened).
Pembina.
Powers Lake.
Regent.
Rhame.
Rolla.
Rugby.
Russell.
Rutland.

Sentinel Butte.
Sheyenne.
Streeter.
Tagua.
Thorne.
Tioga.
Trenton.
Turtle Lake.
Underwood (reopened).
Wildrose.
Williston.
Willow City.

Proposed rural routes approved and in process of establishment.

Bowman (route No. 1).	Pingree (route No. 1).	Ruso (route No. 2).
Denhoff (route No. 1).	Ruso (route No. 1).	Walhalla (route No. 5).
Denbigh (route No. 2).	Ellendale (route No. 3).	White Earth (route No. 1).
Egeland (route No. 2).	Hillsboro (route No. 4).	Wolford (route No. 1).
Larson (route No. 1).	Hillsboro (route No. 5).	
Minot (route No. 5).	Jud (route No. 1).	

Route favorably reported by inspectors, but not yet reviewed: Binford (route No. 3).

OHIO.

Petitions for rural service referred to chief inspector for investigation:

Blue Ash.	Harrisonville.	Portland.
Byesville.	Haynes.	Port William.
Cadiz.	Jobs.	Spencer Station.
Caywood.	Lyra.	Spring Valley.
Gallipolis (5).	Mount Victory.	Station Fifteen.
Gilmore.	Northup.	Sycamore Valley.
Graysville.	Pedro.	

Proposed rural route approved and in process of establishment: Alledonia.

Routes favorably reported by inspectors, but not yet reviewed: None.

OKLAHOMA.

Petitions for rural service referred to the chief inspector for investigation:

Ada.	Elgin.	McKey.
Addington.	Elmore City.	Manitou.
Afton.	Eufaula.	Mannsville.
Ahpeatone.	Faxon.	Meers.
Alex.	Fay.	Oakwood.
Arapaho.	Fletcher.	Okoe.
Arnett.	Fountain.	Ona.
Barney.	Frederick.	Paruna (2).
Bixby.	Gans.	Pauls Valley.
Blanchard.	Gate.	Ponca.
Bliss.	Geronimo (2).	Ralston.
Boyd.	Grove.	Ramona.
Butler.	Grow.	Range.
Carpenter.	Hackberry.	Redbird.
Chaney.	Hardy.	Rice.
Checotah.	Hickory.	Roff (3).
Claremore.	Holdenville.	Rohrer.
Clarita.	Hollister.	Sallisaw.
Clearview.	Hopeton.	Sasakwa (2).
Clinton.	Inola.	Seminole (2).
Collinsville (2).	Jennings.	Shattuck.
Cooperton.	Junction.	South Coffeyville.
Coweta.	Kaw (2).	Stilwell.
Davis (2).	Keenan.	Stratford.
Dewey.	Konawa.	Sulphur.
Dombey.	Lawton.	Taft.
Duncan.	Loveland (2).	Talala.

Taloga.	Vinson.	Willard.
Terral.	Walter.	Woodward (3).
Tonkawa.	Webbers Falls.	Wyand.
Uncas.	Weleetka.	Yale.
Valliant.	Wetumka.	Yeager.
Vinita (2).	Whiteoak.	

Proposed rural routes approved and in process of establishment:

Big Cabin.	Leedey.	Quinlan.
Cedardale.	Lone Wolf.	Tuttle (2).
Centralia.	Marlow.	Tulsa (2).
Cogar.	Minco.	Washington.
Curtis.	Okemah.	Wayne.
Holdenville.	Purcell.	Willow.

Routes favorably reported by inspectors but not yet reviewed:

Marie.	Ryan.	Geary.
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OREGON.

Petitions for rural service referred to the chief inspector for investigation:

Buxton.	Fort Rock.	Medford.
Elmira.	Grants Pass.	

Proposed rural routes approved and in process of establishment:

Astoria.	Eagle Creek.	Pilot Rock.
Athena.	Echo.	The Dalles.
Dafur.	Madras.	Westport.

Routes favorably reported by inspectors, but not yet reviewed:

Bend.	Helix.	Parkdale.
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PENNSYLVANIA.

Petitions for rural service referred to the chief inspector for investigation:

Ariel (2).	Humberston.	Ramey.
Blossburg.	Hunlock Creek.	Sabinsville.
Conshohocken.	Ickesburg.	Richardsville.
Custer City.	Imler.	Shawmut.
Dalmatia.	Leontes Mills.	Shirleysburg.
Davistown.	Lilly.	Susquehanna.
Drums.	Lynn.	Tionesta.
Dunbar.	Lyon Station.	Ulysses.
Equinunk.	Marion Center.	Vintondale.
Fishers Ferry.	Mount Pleasant Mills.	Wallaceton.
Force.	Muncy Valley.	West Hickory.
Fort Hill.	Oil City.	West Monterey.
Galeton.	Overton.	Winwood.
Halifax.	Penbrook.	
Herndon.	Pitcairn.	

Proposed rural routes approved and in process of establishment:

Bloomsburg.	Homer City (2).	Moscow.
Bristol.	Laceyville (2).	New Hope.
Clymer.	Lumberville.	Pipersville.

Route favorably reported by inspectors, but not yet reviewed: Angela.

RHODE ISLAND.

Petitions for rural service referred to chief inspector for investigation:
Jamestown.

Proposed rural routes approved and in process of establishment: Washington.

Routes favorably reported by inspectors but not yet reviewed: None.

SOUTH CAROLINA.

Petitions for rural service referred to chief inspector for investigation:

Alston.	Grover.	Pickens.
Aynor.	Indiantown (2).	Rock.
Branchville.	Johns Island.	St. Paul.
Cades.	Justice.	Sanford (2).
Cleveland.	Kingstree (2).	Seabrook.
Colemans.	Kollock.	Shoals Junction.
Columbia.	Lake City.	Smoaks.
Cope.	Laurens.	Stoneboro.
Cowpens.	Lykesland.	Talatha.
Due West.	Mauldin.	Warrenville.
Earle.	Modoc.	Westville.
Eastover.	Montclare.	White Pond.
Enoree.	Montmorenci.	Williams.
Fort Motte.	Ninety Six.	Williamston.
Galivants Ferry.	North Augusta.	Yemassee.
Garnett (2).	Oakley Depot.	

Proposed rural routes approved and in process of establishment:

Martin.	Walterboro.	Whitehall.
Monetta.		

Route favorably reported by inspectors but not yet reviewed: Longtown.

SOUTH DAKOTA.

Petitions for rural service referred to chief inspector for investigation:

Bancroft.	Ellingsen.	Parton.
Carpenter.	Faulkton.	Peever (1 petition; 1 re-opened case).
Carter.	Ipswich (2).	Phillip.
Caton.	Lake Andes (reopened).	Plankinton.
Colome (3).	Lemmon (4).	Wessington.
Cottonwood.	Leola.	Zell.
Dallas.	New Underwood.	
Dupree.	Nisland.	

Proposed rural routes approved and in process of establishment:

Andover (route No. 5).	Holmquist (route No. 1).	Quinn (route No. 2).
Bradley (route No. 2).	Lesterville (route No. 2).	Raymond (route No. 1).
Butler (route No. 2).	Lucas (route No. 1).	Raymond (route No. 2).
Carpenter (route No. 1).	Lucas (route No. 2).	Roslyn (route No. 1).
Clark (route No. 4).	Menno (route No. 3).	Roslyn (route No. 2).
Clark (route No. 5).	Missionhill (route No. 1).	Utica (route No. 2).
Cottonwood (route No. 1).	Missionhill (route No. 2).	Wallace (route No. 1).
Crandall (route No. 1).	Mound City (route No. 2).	Webster (route No. 3).
Freeman (route No. 4).	Oral (route No. 1).	Webster (route No. 4).
Garden City (route No. 1).	Oral (route No. 2).	Webster (route No. 5).
Grenville (route No. 1).	Ortley (route No. 1).	Webster (route No. 6).
Groton (route No. 4).	Ottumwa (route No. 1).	Willow Lake (route No. 8).

Routes favorably reported by inspectors but not yet reviewed: None.

TENNESSEE.

Petitions for rural service referred to the chief inspector for investigation:

Allons.	Dunn.	Lafayette.
Aspen Hill.	Elgin.	Lawrenceburg.
Bogota.	Forbus.	Littlecrab.
Bumpus Mills.	Grandview.	Lula.
Caryville.	Greenfield.	Maryville.
Calina.	Haydenburg.	Mason.
Chiles.	Hollow Rock.	Monterey.
Dancyville.	Indian Mound.	Nunnely.
Decatur.	Jamestown.	Oakdale.
Dresden.	Kingston Springs.	Oakley.

Oneida.
Parsons.
Pioneer.
Ridgely.

Rugby.
Saulsbury.
Southside.
Summertown.

Tipton.
Van Leer.
Vonore.
Winfield.

Proposed rural route approved and in process of establishment: Ashland City.

Routes favorably reported by inspectors but not yet reviewed: None.

TEXAS.

Petitions for rural service referred to chief inspector for investigation:

Abilene.
Alice.
Alleyton.
Alvin.
Amarillo.
Anson.
Atlas.
Augusta.
Austin.
Ballinger (2).
Bastrop.
Beaumont.
Beeville.
Belton.
Bettie.
Blardstown (2).
Big Spring.
Bivins.
Blackwell.
Bloomburg.
Bluegrove.
Bradshaw.
Brazoria.
Breckenridge.
Bronte.
Brookesmith.
Brookshire (2).
Bryson.
Buckholts.
Burkett (2).
Caldwell.
Cedar Park.
Celina.
Center.
Chico.
Childress (2).
Chillicothe.
China Spring (2).
Chrisman (2).
Clarendon.
Clifton.
Colorado (2).
Comanche.
Converse.
Cooledge.
Corpus Christi.
Crews (2).
Crockett.
Crowell.
Crystal City.
Cushing (2).
De Berry.
Dilley.
Dodge.
Dodsonville.

Easterly.
El Campo.
Elkhart.
Elysian Fields.
Fairfield.
Florence.
Floresville.
Floydada.
Foard City.
Frankston.
Fredericksburg.
Gallatin.
Garrison.
Garwood.
Gay Hill.
Glen Cove.
Glory.
Graham.
Granbury.
Grigsby.
Groesbeck.
Hale Center.
Harleton.
Harlingen.
Hearne.
Hedley.
Helmic.
Hempstead (2).
Henderson.
Henrietta.
Hermleigh.
Hutchins.
Jacksboro (2).
Jean.
Jewett.
Joaquin.
Joy.
Karnes City.
Kenedy (2).
Kildare.
Kirvin (2).
Lampasas (2).
La Porte.
Larue.
Lassater.
Lelia Lake.
Levita.
Lockney.
Lodi.
Lometa.
Longworth.
Lorraine.
Louise.
McConnell.
Madisonville (2).

Margaret.
Montgomery (2).
Morgan Mill.
Mound.
Mount Pleasant.
Muldoon.
Mullin (3).
Munger.
Murchison.
Neri.
Oakhurst.
Oakwood.
Olney (2).
Orth.
Ovalo.
Palacios.
Patroon.
Petroha.
Pilot Point.
Pinehill.
Pioneer.
Placid.
Plainview.
Port Arthur.
Powderly.
Pueblo.
Putnam.
Quail.
Ratcliff.
Red Springs.
Rhome.
Richards.
Richmond.
Rising Star.
Roby.
Rochelle.
Romney.
Roscoe.
Rosenberg.
Ross.
Rotan.
Round Rock.
Rowena.
Runge.
Saginaw.
San Angelo.
Santo.
Satsuma.
Scotland.
Silver Lake.
Singleton.
Sipe Springs.
Skidmore.
Snyder (2).
Snyder.

South Houston.	Trinity.	Wheelock.
Spur.	Valley Mills.	Winchell.
Swearingen.	Vera.	Windthorst.
Swenson.	Victoria.	Wingate.
Tell.	Waelder.	Winnsboro.
Thorndale.	Wellington (2).	Winters (3).
Thrall.	Wells.	Woodland.
Travis.	Wharton (3).	
Trent.	Wheeler.	

Proposed rural routes approved and in process of establishment:

Comfort (No. 2).	Graham (No. 2).	Nordheim (No. 1).
Benbrook (No. 1).	Hufsmith (No. 2).	Ringgold (No. 1).
Devine (No. 1).	Huntington (No. 1).	Santa Anna (No. 3).
Elmendorf (No. 1).	Iola (No. 1).	Wastella (No. 1).
Goliad (No. 1).	Lufkin (No. 8).	Woodson (No. 1).
Graham (No. 1).	Nacogdoches (No. 4).	

Route favorably reported by inspectors, but not yet reviewed: Rosebud (Nos. 5 and 6).

UTAH.

Petition for rural service referred to the chief inspector for investigation: Kamas.

Proposed rural routes approved and in process of establishment: Not any.

Routes favorably reported by inspectors, but not yet reviewed: Not any.

VERMONT.

Petition for rural service referred to chief inspector for investigation: Bridgewater.

Proposed rural routes approved and in process of establishment: None.

Routes favorably reported by inspectors, but not yet reviewed: None.

VIRGINIA.

Petitions for rural service referred to chief inspector for investigation:

Amherst.	Emory.	Phenix.
Ararat.	Farland.	Prince George.
Aspen.	Frederick Hall.	Quicksburg.
Atkins.	Hebron.	Reams.
Bagleys Mills.	Ivor.	Sebrell.
Barbours Creek.	Keller.	Smithfield.
Barrons Springs (2).	Kibler.	Spring Grove.
Brett.	Lafayette.	Somerville.
Brodnax.	Lanexa.	Sugar Grove.
Callaway.	Liberty Furnace.	Suffolk.
Carters Mills.	Lightfoot.	Union Level.
Coeburn.	Lynnhaven.	Warrenton.
Covesville.	Mayberry.	Wakefield.
Crabbottom.	Mendota.	Waverly.
Crozet.	Morrison.	Wellville.
Cullen.	Murtleville.	White Stone.
Dalhart.	Newsoms.	Williamsburg.
Dillwyn.	Norfolk.	Wilsons.
Disputanta.	Norwood.	Worsham.
Dodson.	Orkney Springs.	Wylliesburg.
Dundas.	Pannell.	

Proposed rural routes approved and in process of establishment:

Arcola.	Fosters Falls.	Onancock.
Ashburn.	Hamilton.	Philomont.
Dendron.	Handsom.	Stony Creek.
Drewryville.	Melfa.	Whaleyville.
Fentress.	Mint Spring.	Yale.

Route favorably reported by inspectors, but not yet reviewed: Gate City (2).

WASHINGTON.

Petitions for rural service referred to the chief inspector for investigation:

Adrian.	Daisy.	Myers Falls.
Alderdale.	Deming.	Olympia.
Almota.	Friday Harbor.	Prosser.
Amber.	Fruitland.	Spokane (2).
Battle Ground.	Grandview.	Sprague (2).
Castle Rock.	Mabton.	Tenino.
Charleston.	Manette.	Valley.
Chimacum.	Mansfield (2).	Wapato.
Clarkston.	Mount Vernon.	

Proposed rural routes approved and in process of establishment:

Bossburg.	Naches.	Seattle.
Creston.	Odessa (2).	Waterville.
Irby.	Port Angeles.	Wenatchie.
Kennewick.	Quincy.	
Kettle Falls.	Rice.	

Routes favorably reported but not yet reviewed: Not any.

WEST VIRGINIA.

Petitions for rural service referred to chief inspector for investigation:

Adrian.	Frametown.	Philoah.
Arbovale.	French Creek.	Poca.
Auvil.	Gem.	Ronceverte.
Belgrove.	Grantsville.	St. Albans.
Big Otter.	Hart.	St. George.
Blue Sulphur Springs.	Heaters.	Skidmore.
Brighton.	Higby.	Smithfield.
Burnsville.	Kenna.	Terre Alta.
Cameron.	Le Roy.	Toney.
Charleston.	Littleton.	Tunnelton.
Creston.	Mellin.	Wayne.
Dunmore.	Middlebourne.	West Hamlin.
East Lynn.	Minnie.	Willow.
Eglon.	Okonoko.	
Fairmont (Watson Sta.).	Omps.	

Proposed rural routes approved and in process of establishment: Renwood and Charleston (2).

WISCONSIN.

Petitions for rural service referred to the chief inspector for investigation:

Aniwa.	Glen Flora.	Prairie du Chien.
Arpin.	Grand Rapids (2).	Randall (2).
Auburndale.	Green Bay.	Rhineland.
Birnamwood.	Lake Nebagamon.	Rice Lake.
Brill.	Lena.	Rio.
Chetek.	Mattoon.	Tigerton.
Clayton.	Mellen.	Walsh.
Cumberland.	Marshfield (2).	Withee.
Eland.	Norrie.	Wittenberg.
Friendship.	Pensaukee.	Vesper.

Proposed rural routes approved and in process of establishment:

Barnum.	Stratford.	Weyerhauser.
Irma.	Wausau.	

Routes favorably reported by inspectors but not yet reviewed:

Arena.	Knowlton.	Lynxville.
Gays Mills.		

WYOMING.

Petitions for rural service referred to the chief inspector for investigation:

Carpenter. Powell (2). Wheatland.
Golden Prairie.

Proposed rural routes approved and in process of establishment: Not any.
Routes favorably reported by inspectors but not yet reviewed: Not any.

Growth of the Rural Delivery Service from its inauguration.

Years.	Routes in operation.	Years.	Routes in operation.
1897.....	82	1905.....	32,065
1898.....	153	1906.....	35,706
1899.....	412	1907.....	37,728
1900.....	1,259	1908.....	39,377
1901.....	3,761	1909.....	40,628
1902.....	8,298	1910.....	41,079
1903.....	15,119	1911 (June 1).....	41,929
1904.....	24,566		

¹ Including 268 routes in process of establishment.

Mr. REDFIELD. There seems to be a more or less continuing condition here, wherein the department is constantly failing to come up alike to the appropriation upon the one hand and to the public demand upon the other, so that at the conclusion of each year money set aside for a definite purpose has not been used for that purpose, but is, instead, turned back to the Treasury. The explanation, as we gather it, is that the process of inspection and installation is so long, or particular circumstances arising from this merger are such, that it is not wise to spend the money. Have you ever made any application to Congress or any recommendations in your report pointing out this delay and asking for means or suggesting methods for bringing the work up to date?

Mr. DE GRAW. I have only made one report since that condition prevailed. I did not do it then, because it was a matter that was out of my jurisdiction. In other words, it was work in the hands of the division of the chief inspector, which division is part of the Postmaster General's bureau; and it would hardly be proper in the circumstances for me to suggest to the Postmaster General what he should do.

Mr. REDFIELD. Very good. Have we not, then, laid our finger upon an element of organization where your work for which you have the money and for which public demand exists is, let us say, limited in quantity and your scope is restricted by the failure of sufficient or of prompt enough cooperation on the part of the inspectors' bureau to carry out the work for which you have the money?

Mr. DE GRAW. Yes, sir; but Congress provides for the inspectors' bureau and allows so many inspectors, and I will venture to say, Mr. Congressman, that I could keep a great part of the inspectors' present force busy for several months in my own bureau alone.

Mr. REDFIELD. Precisely. Have you brought this matter clearly to the attention of your superiors, or to the attention of Congress, pointing out that the organization of your department is such that work which you wish to do, for which you have the money, and for which there is a public demand, you are unable to do for lack of sufficient force?

Mr. DE GRAW. I have not, because the condition has never before prevailed. I never before knew of any condition where the inspectors' department had so many cases in hand. I have called the attention of the departmental officials to the matter, but the chief inspector has been so engaged in other work of such important character, which has developed since this appropriation act was passed and since these cases came in—such as the fraud-order cases, and all that sort of business—that it has, as I understand from his explanation, necessarily put him behind on this particular work.

Mr. REDFIELD. But it is the fact, is it not, that the work is behind, and that the force at the inspector's disposal is not sufficient to enable you to carry out promptly and adequately the work for which an appropriation has been made, and for which there is public demand?

Mr. DE GRAW. That is true.

The CHAIRMAN. Is the chief inspector of the Post Office Department, Mr. Sharp, the chief over the inspectors of the Rural Delivery Service?

Mr. DE GRAW. He is the chief over all post-office inspectors.

The CHAIRMAN. How many post-office inspectors are there in the rural delivery field service?

Mr. DE GRAW. The force of inspectors is used for all postal-service inspection work.

The CHAIRMAN. You do not have inspectors, then, whose duties are confined exclusively to the Rural Delivery Service?

Mr. DE GRAW. No, sir.

Mr. McCoy. Is it Mr. Sharp who reports to you, Mr. De Graw, that on account of pressure of work he has not sufficient inspectors under him?

Mr. DE GRAW. He has simply said that incidentally. He does not report to me.

Mr. McCoy. I mean he told you that, as you said?

Mr. DE GRAW. That is the information I received from his bureau—that the work of his bureau has been so increased by the incidental work which has come up since these cases have been coming in that it has delayed his work in making reports to my bureau.

Mr. REDFIELD. What recommendation have you to make for modifying that situation?

Mr. DE GRAW. I will decide that before I make my annual report. It will be determined then whether or not there will be any reason for it. The chief inspector may be able to get at this work and clean it up before that time.

Mr. McCoy. When does your report come in—this July?

Mr. DE GRAW. My report is made covering work up to the end of the fiscal year, June 30. It is usually submitted to the Postmaster General in October, or as soon as the figures for the fiscal year are obtainable.

The CHAIRMAN. Then, as a matter of fact, Mr. De Graw, the blame or censure, if such it may be, more properly belongs upon the chief inspector than any other official connected with the Post Office Department?

Mr. DE GRAW. I should not like to say "the blame or censure," Mr. Chairman. I do not think blame or censure is attributable to anybody. It is simply a condition. You probably know that there has been a great deal of work necessary in hunting down the great

number of fraud cases which have existed during the last year or so; and that a very great amount of money has been saved to the people of the country by the arrest of the guilty parties. Those cases, as I understand it, are responsible for the delay, not only in the rural-delivery cases but in other cases of routine departmental work.

The CHAIRMAN. But the chief inspector has these inspectors at his command, and it is at his discretion in what particular field they may be employed. It would seem to me that with that knowledge and understanding, if he was as much or more interested in the Rural Delivery Service as he was in some other particular service—we hear a great deal about the “spy system,” though I do not know so much about that; I want to learn more later—he could direct their attention to this work, and in that way clean up the applications and bring your work up to date. Is not that so?

Mr. DE GRAW. By doing so, he would probably neglect something of greater importance to the public.

The CHAIRMAN. He evidently decides which is the most important work to do, does he not? Does he decide or does the Postmaster General decide?

Mr. DE GRAW. I should not like to say that he decides, because his superior officer may direct him. Of course he has charge of the inspectors, and if either the Postmaster General or any bureau officer wants any special work done, he applies to the chief inspector to have it done. I want to say, in behalf of the chief inspector, that I have never asked him to make “special” any rural-delivery case or star-route contract case which I have known was of a character that ought to be attended to immediately to prevent suffering on the part of the patrons or impairment of service where he has not taken it up and made a special case of it and had the work done promptly. I have perhaps had hundreds of cases put through in that way, and I have no doubt in the world that Mr. Sharp is doing the very best he can with the force he has at his command. But I respectfully submit, Mr. Chairman, it is hardly fair for you to interrogate me about Mr. Sharp’s work. He is available, and I should very much prefer to have you call upon him for this character of information.

Mr. ALEXANDER. Your experience is, then, that the force at your command is not sufficient to perform the service, and that is the reason of these delays?

Mr. DE GRAW. Under present conditions, Mr. Congressman, as I said before, I think I could keep the greater part of the inspectors’ force going for several months on work under the jurisdiction of the Bureau of the Fourth Assistant Postmaster General.

Mr. REDFIELD. Mr. De Graw, are the same inspectors used for prosecuting the detection of crime against the law and for investigating the feasibility or wisdom of establishing a rural free-delivery route?

Mr. DE GRAW. The inspectors are all known now, Mr. Congressman, as post-office inspectors; and it rests with the chief inspector or his subordinates, the superintendents in the various sections of the country, as to which inspector shall take this or that character of work. I fancy that a number of the men who do the rural work are men who were merged into the inspectors’ force from the rural agents, who, you will recall, used to be inspectors for the Fourth Assistant’s

bureau. But when they were all merged into one bureau, some of those men were put on general utility work; and I suppose (though I do not know absolutely) that some of them are kept exclusively on rural delivery work, as they are more familiar with that.

Mr. REDFIELD. And yet I gathered from you that it was the prosecution of the fraud cases which stood in your way, and that therefore men were being used for the development of fraud cases that would otherwise have been used for investigating rural free delivery routes.

Mr. DE GRAW. That is true, sir.

Mr. REDFIELD. Do you consider it good organization to have work which varies so much in its character as the detection of crime and the investigation of the physical conditions surrounding the rural free-delivery routes in the same force and subject to the same head?

Mr. DE GRAW. The inspectors and the men who take up this Rural Delivery Service are all bright postal officials.

Mr. REDFIELD. Pardon me—that is not quite the question. I am asking your opinion as to whether that is good organization.

Mr. DE GRAW. Well, that is a question.

Mr. REDFIELD. It is a question. I ask it.

Mr. DE GRAW. As it is not under my jurisdiction, I should not like to express an opinion about it.

Mr. ALEXANDER. Is it not a fact, however, that when the Rural Delivery Service was first installed there were inspectors of rural delivery routes?

Mr. DE GRAW. They were known as rural agents?

Mr. ALEXANDER. Rural agents?

Mr. DE GRAW. Yes, sir; they were virtually inspectors, however.

Mr. ALEXANDER. But their duties related to the investigation of these proposed rural routes?

Mr. DE GRAW. Exclusively; yes.

Mr. MCCOY. Did they report to you?

Mr. DE GRAW. Yes, sir.

Mr. MCCOY. And they were under your direction, were they?

Mr. DE GRAW. Yes, sir.

Mr. REDFIELD. And now, although you are charged with the responsibility of developing these rural free-delivery routes, and are provided with an appropriation for that purpose, you have no longer the power under the present organization to say to this inspector "Go," and make him go?

Mr. DE GRAW. Except through his superior officer, the chief inspector.

Mr. REDFIELD. Who is not under your control?

Mr. DE GRAW. No, sir.

The CHAIRMAN. Do you know, Mr. De Graw, whether or not the chief post-office inspector was formerly under the control of the Fourth Assistant Postmaster General?

Mr. DE GRAW. I think he was during the administration of my predecessor. That is my recollection.

The CHAIRMAN. You do not know when the change was made?

Mr. DE GRAW. The change was made before I entered the service in 1905.

Mr. REDFIELD. Is that the time you mean at which these inspectors were taken from under your immediate control?

Mr. DE GRAW. No; that was a different proposition.

Mr. REDFIELD. I want to ask you this question: When did this arrangement take place whereby the rural special agents were consolidated with the force of inspectors and taken out of your control into that of the Postmaster General?

Mr. DE GRAW. I think that was in 1906.

Mr. REDFIELD. Were you at that time charged with the responsibility of the rural free-delivery routes?

Mr. DE GRAW. I was.

Mr. REDFIELD. Did you make any objection to that merger?

Mr. DE GRAW. I made the assertion to the Postmaster General at that time that I believed eventually that work could be consolidated, but that I hardly thought the time was yet ripe for the merger, or words to that effect.

Mr. REDFIELD. If you had your former force in sufficient numbers at your disposal, is there any difficulty known to you that would prevent your keeping this work substantially up to date?

Mr. DE GRAW. Of course, if I had a sufficient number of rural inspectors under my exclusive control, I could keep the work closer up to date than it is to-day.

Mr. REDFIELD. That is what I want to know.

The CHAIRMAN. I understand the present situation is that you have to depend upon the chief inspector as to whether or not he can spare some of his men for your particular work?

Mr. DE GRAW. That is true, Mr. Chairman, with the explanation which I made a while ago, that when I have described a case as being one where, unless it should be acted upon immediately, the patrons would suffer for service, he has always made it special and pushed it through.

Mr. REDFIELD. Has the total force available for all the duties of inspectors been reduced over the aggregate of his force and your force when the two existed separately?

Mr. DE GRAW. I think it has.

Mr. REDFIELD. Then there are fewer men attempting now to do a larger work. Is that so?

Mr. DE GRAW. That is my understanding.

Mr. REDFIELD. With the result that work for which the public have called, and for which money is appropriated, and which you desire to do, is held up against your wish?

Mr. DE GRAW. Because of the incidental cases which have come in and made it necessary, from the viewpoint of the department, to take them up rather than to go ahead with the general work.

Mr. REDFIELD. But to take them up with a reduced force as compared with the aggregate of several years ago?

Mr. DE GRAW. I will not be sure that the force is reduced as compared with several years ago; but I think it is reduced from what it has been at a period of time perhaps two or three years ago.

The CHAIRMAN. Mr. De Graw, the appropriation for the Rural Delivery Service for the fiscal year ending June 30, 1911, was \$88,860,000. Will you furnish the committee the amount that had not been expended of this sum up until, say, May 1 of 1911?

Mr. DE GRAW. Yes, sir. You say to May 1?

The CHAIRMAN. I presume that is about as late a date as you can furnish it up to.

Mr. ALEXANDER. Could you make it up to June 1?

Mr. DE GRAW. Oh, yes, sir; I can give it to you to June 1.

The CHAIRMAN. Make it June 1, then. Also, the committee would like to know the amount that reverted to the Treasury for the fiscal years 1908 and 1909.

Mr. ALEXANDER. And 1910.

The CHAIRMAN. I have already asked for that.

Mr. DE GRAW. Yes, sir; I can give you that.

Mr. REDFIELD. On account of the Rural Delivery Service.

Mr. DE GRAW. That is, from the appropriation for that service?

Mr. REDFIELD. Yes.

EXHIBIT No. 20.

Annual appropriations and expenditures for Rural Delivery Service and unexpended balances reverting to the Treasury.

Fiscal years ended June 30—	Appropriations.	Expenditures.	Balances reverting to Treasury.
1897.....	\$40,000.00	(1)	(1)
1898.....	50,250.00	\$50,249.71	\$0.29
1899.....	150,032.00	150,011.69	20.31
1900.....	450,000.00	448,486.14	1,513.86
1901.....	1,750,798.00	1,750,713.03	82.97
1902.....	4,089,075.00	4,088,643.79	431.21
1903.....	8,580,364.00	8,537,289.75	43,074.25
1904.....	12,926,905.00	12,642,807.23	284,097.77
1905.....	21,116,600.00	20,854,466.76	262,133.24
1906.....	25,828,300.00	24,752,375.32	1,075,924.68
1907.....	28,200,000.00	26,661,554.95	1,538,445.05
1908.....	34,900,000.00	34,371,820.45	528,179.55
1909.....	35,673,000.00	35,594,801.62	78,198.38
1910.....	37,260,000.00	36,977,709.90	282,290.10

¹ Not available.

The CHAIRMAN. Mr. De Graw, as you are no doubt aware, much complaint reaches every Member of Congress over the refusal to make extensions of rural routes. I should like to have you tell the committee as briefly as you can under what conditions these extensions are granted and for what reasons they are denied, and then how you proceed to make the extensions or decide to disapprove them.

Mr. DE GRAW. It is inadvisable, Mr. Chairman, to make extensions of rural delivery unless we have at least four heads of families to the mile. When we have that many and can make straight extensions, if it is possible to do so and not interfere with the dispatch of the mail collected by the rural carrier on that particular route we never hesitate to do it. We do very seriously object—and I think in the interest of good administration—to making a retrace—to going in, say, to a farm a quarter or half a mile from the route and back right over the same road, as the spirit of the law which inaugurated the rural delivery clearly defines that it shall go from a given point around a circuit back to that point.

When you make one retrace of the character which I have described there are always four or five to follow. So we have been driven to the point where a Congressman feels that it is imperative that a retrace shall be put in to supply four families to the mile, and therefore to go in and come back over the same road, to do it with

the understanding that if other retraces of like character are applied for, and we find that they will interfere with the dispatch of the mail, we will have to take out, thereby treating everybody alike.

There have been a few retraces of that character put in where the Member of Congress has assured the department that he would take care of that matter—that there would be no further calls, but that in this particular case the attempt was imperative. Of course in cases of that kind we always try our best to do it, if the route will stand it. The patrons of rural delivery are, as a rule, more particular about securing the dispatch of their mail the day they put it in the box than they are for the receipt of mail. Hence we make it a point not to interfere with the carrier's return trip. In other words, he must get back in time to catch the train which leaves the point at which his post office is located at a certain time in the evening.

The CHAIRMAN. You have referred to the recommendations of Members of Congress for extensions of rural routes. As a matter of fact, do not the recommendations of the postmasters and the carrier at the office where the extension or change is wanted have more weight and consideration with the department than the recommendations of Congressmen?

Mr. DE GRAW. Very frequently, in order to save sending an inspector, we write to the postmaster and ask him what effect it will have if we install an extension or retrace. So far as the carrier is concerned, that is never considered, because if it extends his route he gets paid for it.

Mr. ALEXANDER. At that point I have a grievance or two of my own. I do not think the recommendations of Congressmen have much to do with it under the present administration, I am frank to say. The postmaster and the rural carrier are "it." I have a case in my own county—and I have lived there for 37 years—about 8 miles west of my town, Altamont, where the service was withdrawn from a community, a loop cut out, because the road was in bad repair and there was a stream to cross. I will not say anything about the original order cutting out that part of the service; it may have been all right; but I have tried to get it restored to those people. There are eight or nine people on that loop. It is out of Altamont; I think it is route No. 1. There is a man by the name of Schneider who is the carrier. We have made the request of the department more than once, now, to have the service restored, on the statement that that road has been placed in good repair.

There has never been a bridge across the branch. I have crossed it hundreds of times, and there is no necessity for one. There are two or three times in the year, after very heavy rains, when for an hour or two it is not passable; but it has never been thought sufficient to bridge it. Neither the township nor the county has ever thought the necessity was great enough to authorize the expenditure for bridging that stream.

The rural carrier has business in Altamont in the afternoon. I think he is in the poultry or the egg and butter business, and he wants to get back; he wants to finish his route in the morning and get back to his other business in the afternoon. I made the request of the department that the service might be restored to those people; and an inspector has gone to Altamont and talked the matter over with the postmaster and the rural carrier; but so far as I can get

advice I can never get him to go over this part of the route to see if the road is in repair; but he reports adversely.

I have another case of the same kind in Mercer County, out of Princeton—rural route No. 3. I have no idea that they have come to your personal attention. I am simply calling them up now to show that there are cases like that, where the inspector defers to the opinion of the postmaster and the rural carrier rather than to the demand of those who are to be served.

Mr. DE GRAW. If I found an inspector doing that in my service I would call him to time on it, Mr. Congressman.

Mr. ALEXANDER. If I ever get away from here, I am going to go over those routes personally and inspect them myself and report to the department on them.

Mr. DE GRAW. It is true that we have cut out a great deal of service throughout the country when the roads have been in bad repair, and I think it has done more for the good-roads problem than anything else that has been done.

Mr. ALEXANDER. In my speeches in my district I called attention to that and emphasized the fact that if they wanted the service they must keep the roads in good repair, and that they have no right to make complaint if they do not. I am trying to cooperate with you in the matter.

Mr. DE GRAW. If it had come to my notice that the inspector had gone out there and not made a judicious examination of the route and reported thereon without the influence of anybody, I certainly would have reported him immediately to the chief inspector. I do not know of a case where roads have been cut out on account of their being impassable where, after they had been restored to what you would call good roads or passable roads, the service has not been restored.

Mr. ALEXANDER. The case that I refer to is one case.

Mr. DE GRAW. Of course, where an inspector reports unfavorably, that is likely to be the outcome.

Mr. ALEXANDER. But they represented to me that the inspector did not go out over the route at all.

Mr. DE GRAW. I think it would be doing the department a great kindness if you would report the case. I certainly should like to look into it.

Mr. ALEXANDER. I have reported it at least twice.

Mr. DE GRAW. You never called it to my attention.

Mr. ALEXANDER. Well, it went to the office. I do not know who saw it.

Mr. DE GRAW. There are a thousand letters a day that come there addressed to me that I never see.

Mr. ALEXANDER. I understand that; and of course I could not take it to you personally, under the circumstances.

Mr. DE GRAW. I appreciate that; but I have always invited that character of cases to be brought to my personal attention.

Mr. ALEXANDER. I thought I would defer any further consideration of the matter until I could go home and personally inspect the route and see if there was any good reason for the adverse report.

Mr. DE GRAW. I see. I hope you will do so, and I shall be very glad to take it up then.

Mr. ALEXANDER. I know that the people that live on it are people of the highest character.

Mr. DE GRAW. What route did you say was involved?

Mr. ALEXANDER. I think it is route No. 1 out of Altamont, Mo. A man by the name of Schneider is the rural carrier.

Mr. REDFIELD. Is it in your bureau that the so-called route maps are prepared, Mr. De Graw?

Mr. DE GRAW. Yes, sir.

Mr. REDFIELD. What is the purpose of those maps? What are they used for?

Mr. DE GRAW. They are largely used for the Railway Mail Service. That is, we have the blueprints for the Rural Delivery Service—for the agents and the inspectors. The post-route maps are kept up to date. They are changed on the racks every three months. That is necessary in order to take in all the new post offices that are established, for the information of the railway mail clerks.

Mr. REDFIELD. Are these maps sold to the public at all?

Mr. DE GRAW. Yes, sir; under the law, they are sold to the public.

Mr. REDFIELD. They cover all the States in the Union, do they?

Mr. DE GRAW. Yes, sir.

Mr. REDFIELD. And, as you say, they are kept up every three months.

Mr. DE GRAW. Every three months.

Mr. REDFIELD. But the chief purpose of them is for the internal use of the department itself?

Mr. DE GRAW. Yes, sir. There is quite a little revenue derived from their sale, but that is turned right back into the appropriation and is made available under the law for the expenses incident to their preparation.

Mr. REDFIELD. I do not understand from you that one of these maps is printed every three months unless some change is required in it?

Mr. DE GRAW. There are very few of them in which there are not changes of some character—either of post offices discontinued, post offices established, or of changes in sites of post offices.

Mr. ALEXANDER. I know I have one in my office at home.

Mr. DE GRAW. We send to every Senator and Representative each year at the beginning of the session one of the maps of his own State, and that is all to which he is entitled. Very frequently, however, we give to public men maps that we take off the racks. Of course these are not up to date.

The CHAIRMAN. Mr. De Graw, you stated that you had charge of the purchase of certain supplies. I will ask you again to inform the committee what supplies you are charged with the purchase of.

Mr. DE GRAW. All the supplies, Mr. Chairman, that go to post-masters throughout the country.

The CHAIRMAN. Are those supplies purchased by you?

Mr. DE GRAW. Oh, no, sir; they are purchased under contract, according to law, under the purchasing agent.

The CHAIRMAN. You then make known your wants to the purchasing agent in the regular way under the law?

Mr. DE GRAW. We make requisitions. Every requisition that I make is approved by the purchasing agent before purchase is made.

The CHAIRMAN. What make of typewriter do you purchase?

Mr. DE GRAW. We have contracts with the makers of all of the standard machines.

The CHAIRMAN. Who determines, then, what machine you will purchase for the supply of the postal service?

Mr. DE GRAW. I do.

The CHAIRMAN. What machine do you recommend?

Mr. DE GRAW. I am recommending now and purchasing almost exclusively the Royal typewriter.

The CHAIRMAN. How long since you first determined to make general use of the Royal typewriter?

Mr. DE GRAW. At the beginning of this fiscal year.

The CHAIRMAN. What prompted you to select the Royal?

Mr. DE GRAW. Because it was cheaper, and apparently just as good a machine as there is in the market for our work.

Mr. ALEXANDER. What do they cost you?

Mr. DE GRAW. About \$50 apiece, as against about \$80 for the others.

The CHAIRMAN. Do you know what the Royal allows in the way of exchange for old machines?

Mr. DE GRAW. The prices vary on the different machines. They always make an investigation of our machines, and see how much they can afford to allow. I think we can get a new machine, on an average, by paying about \$15—\$15 to \$20.

The CHAIRMAN. You can buy a new Royal machine for \$15 or \$20 and an old machine of some other make?

Mr. DE GRAW. I think that is about the average.

Mr. MCCOY. They will not take back machines of other makes, will they? Will they take machines of other makes and give you an allowance on those?

Mr. DE GRAW. Oh, yes, sir. We are now, very largely, dealing with firms that have gone into the business of rebuilding; they call themselves rebuilders of typewriters; and I think it is going to make a very large saving for us.

Mr. MCCOY. How old a machine is the Royal typewriter, Mr. De Graw? I mean how long has it been on the market in its present form?

Mr. DE GRAW. I think about four or five years.

Mr. MCCOY. Have any of those machines a record of that length of time in the department?

Mr. DE GRAW. I think not. I think we have not any in the supply division that are older than 2 years; but they have been used in other departments. As Mr. Weed explained to you, they have stood up very well, indeed. I should like to say in that connection that I more than a year ago stated to the salesman representing the different typewriter companies that unless they saw fit to give us better prices I believed the time would come sooner or later when some typewriter organization would come into the field and that we would have to purchase it exclusively, being compelled, under the law, to take the lowest bid. And that is exactly what happened.

For three years the House Committee on the Post Office and Post Roads took me to task for not deciding upon the purchase of a single type of typewriter and criticized my action because I declared that I did not see my way clear to decide that point. I decided to purchase the Royal typewriter for the postal service simply on the

merits of the machine and the saving that I would make to the department by so doing. We do not exclude other machines. If we find a case where it is absolutely essential to buy other makes of machines we do it. But, of course, you gentlemen know that the price of the other machines range practically the same.

I will say, in behalf of my action, that Mr. Morgan, the postmaster at New York City, who has a corps of clerks employed nearly as large as we have in the Post Office Department, probably uses quite as many typewriters as we do—and who thought there was no typewriter as good as those he was using—told me after he received two or three of the Royal machines for use in his office that he would like me to exchange all his machines for Royals.

Mr. McCoy. Is \$50 the standard price? I mean, could I buy one for \$50?

Mr. DE GRAW. No, sir; I think not. I think that is a contract price that the company gives the Government service.

Mr. ALEXANDER. A number of years ago they put a Royal machine in my office for trial, and the price then was \$60.

Mr. DE GRAW. Yes; I think that was the price, Mr. Congressman, before we made this contract with them.

The CHAIRMAN. Mr. De Graw, no doubt you are aware that there is very general complaint on the part of Members of Congress over the failure to establish rural delivery mail service in their districts; they are anxious that the service should be established. For that reason your department is very often severely criticised. One of the objects in asking you to come before this committee was to learn why this service is so much delayed and obtain from you, if we could, some recommendations that would help us to bring about an improvement in the service and to be able to bring it up to date.

I should appreciate it if you would summarize in as few words as you can any recommendation that you may wish to make to the committee, by which we may be able to report to Congress a means whereby this service can be brought up to date. It certainly seems to me, as a member of the committee and as a Member of the House, that there should not be such great delay in this service, and that the routes ought to be established faster than they are. If there is not a sufficient field force of inspectors, we want, if we can, to help increase the force, so that the work will be brought up to date. I am sure it would be more satisfactory to you, as I know it would be to the Members, if applications were not held up for 6, 8, or 10 months, and longer at times.

Mr. DE GRAW. Mr. Chairman, it is the height of my ambition to complete the Rural Delivery Service. No one has worked or strived harder for it than I have. I hope to live to see the day when I can say that I have it completed. I have in my office to-day less than 60 cases that I could act on, and those 60 cases will be acted on within the next 48 hours. The only way that I can see by which we could bring the work up to date is to have a sufficient force of men to go in the field and do the work on the cases that are behind in the office of the chief inspector. We can not do it in the department. We must have the field agents do it, and we only have so many men on the inspectors' force. Therefore we have to take our turn in the matter of importance in securing reports upon these cases. As soon as they

are reviewed they are acted upon as far as they can be in the department.

Mr. ALEXANDER. Can you state offhand how many inspectors there are?

Mr. DE GRAW. I think in the neighborhood of 300, in round numbers.

(NOTE.—Mr. De Graw subsequently advised the committee that there are now 390 inspectors in the postal service.)

The CHAIRMAN. How many rural routes are there established and in operation in Ohio, Mr. De Graw?

Mr. DE GRAW. On the 1st of May, 1911, Ohio had 2,531 routes.

The CHAIRMAN. How many applications are pending? Have you the figures there?

Mr. DE GRAW. Twenty-five.

The CHAIRMAN. Twenty-five in the State?

Mr. DE GRAW. Yes, sir.

The CHAIRMAN. Could you, without too much inconvenience, furnish as an exhibit to this record a statement showing the growth of the Rural Delivery Service from its establishment down to the present time?

Mr. DE GRAW. I can do it very readily, sir.

(The committee thereupon adjourned.)

No. 5

HEARINGS

BEFORE THE

**COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT**

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

**TO INVESTIGATE THE POST OFFICE
DEPARTMENT**

JUNE 13, 15, AND 17, 1911



**WASHINGTON
GOVERNMENT PRINTING OFFICE
1911**

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call.]

WILLIAM A. ASHBROOK, of Ohio, *Chairman.*

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey.

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, *Clerk.*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

HOUSE COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OFFICE BUILDING,
Washington, D. C., Tuesday, June 13, 1911.

The committee met at 10 a. m. pursuant to a call from the chairman. Present, Messrs. Ashbrook (chairman), Alexander, Redfield and McCoy.

TESTIMONY OF GEORGE G. THOMSON.

George G. Thomson was thereupon called as a witness and, being duly sworn by the chairman, testified as follows:

The CHAIRMAN. Mr. Thomson, will you state to the committee your full name and your official connection with the Post Office Department?

Mr. THOMSON. My name is George G. Thomson, and at present I am superintendent of Division of Rural Mails, Post Office Department.

The CHAIRMAN. How long have you been holding your present position?

Mr. THOMSON. I was appointed to my present position on April 1 of this year, and took active charge of the division on April 17.

The CHAIRMAN. Previous to your appointment as superintendent of the Rural Delivery Division, in what capacity were you connected with the Post Office Department?

Mr. THOMSON. I was inspector in charge, located at Austin, Tex., with headquarters at Austin, Tex.

The CHAIRMAN. What is your legal residence?

Mr. THOMSON. Michigan.

The CHAIRMAN. After you were appointed superintendent of the Rural Delivery Division, you removed from Austin, Tex., to Washington?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. What service, if any, did you have in the Post Office Department previous to this appointment?

Mr. THOMSON. Immediately preceding my appointment as inspector in charge, I was superintendent of the Division of Supplies. Prior to that—

Mr. McCoy (interrupting). Located where, Mr. Thomson?

Mr. THOMSON. Washington, D. C. Do you wish me to go back of that?

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

The CHAIRMAN. I would like to have you state your entire connection with the Post Office Department.

Mr. THOMSON. I am unable to state the exact date of my original appointment to the Post Office Department.

The CHAIRMAN. About when?

Mr. THOMSON. About 16 years ago. It was about 16 years ago that I was appointed, by transfer from the Patent Office, to a clerical position in the Railway Mail Service, acting as stenographer to the Assistant General Superintendent of that service, at a salary of \$900 per annum. After remaining in the Railway Mail Service for some three years, I believe—I would not make that as a positive statement, because I am not so sure about the dates—I was transferred to the office of the Third Assistant Postmaster General, at a salary of \$1,200. I was engaged in the office of the Third Assistant Postmaster General in the capacity of assistant chief clerk. Some little time later I was transferred to the Division of Classification in the department, where I handled matters pertaining to the second-class rates of postage. I remained there until I had reached the highest clerical position, \$1,800 per annum. It was while I was a clerk of the Division of Classification that, in the absence of the chief clerk of the department, the Postmaster General designated me, by order, to be Acting Chief Clerk of the Post Office Department. That was done by a detail on May 18, 1905, and that detail was extended from time to time until October 6, 1905, when I was appointed assistant to the chief clerk of the department, at a salary of \$2,000. I remained in that position until February 3, 1909, when I was promoted to the position of superintendent of the Division of Supplies in the office of the Fourth Assistant Postmaster General, at a salary of \$2,500 per annum. In October, 1910—and I have not got the precise date of this, either—I was appointed inspector in charge, with headquarters at Austin, Tex., and, as before stated, on April 1, 1911, I was appointed superintendent of the Division of Rural Mail and assumed charge of that division on April 17, 1911.

The CHAIRMAN. Then, for about 16 years last past you have been continuously in the employ of the Government in the Post Office Department?

Mr. THOMSON. Yes, sir. I would like to add there, if I may, that during the period from October 6, 1905, when I was appointed assistant chief clerk in the Post Office Department, up to the present time I have been on a number of departmental committees of various sorts.

The CHAIRMAN. You also, during the last presidential campaign, were the confidential clerk of Mr. Hitchcock, who was the campaign manager, were you not?

Mr. THOMSON. No, sir; I was not the confidential clerk.

The CHAIRMAN. Did you take part in any capacity in that campaign?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. Please state what.

Mr. THOMSON. I was designated as chief clerk and purchasing agent of the Chicago headquarters of the national Republican committee.

The CHAIRMAN. And during that time you had a furlough, did you?

Mr. THOMSON. No, sir; I resigned from the service.

The CHAIRMAN. How long were you out of the service, then, of the Post Office Department?

Mr. THOMSON. From about August 15, I should say, until October 5 of the same year.

The CHAIRMAN. You resigned and then were reappointed to your old position?

Mr. THOMSON. Yes, sir.

Mr. McCoy. From August to when?

Mr. THOMSON. It was the campaign year of 1908.

Mr. McCoy. August 15 to what month?

Mr. THOMSON. October 5.

The CHAIRMAN. During that time who was appointed to fill the vacancy?

Mr. THOMSON. I do not know that anybody was.

Mr. ALEXANDER. Does that period cover the entire period of your service in connection with the campaign?

Mr. THOMSON. Yes, sir; absolutely.

Mr. McCoy. When you left Chicago, what did you do—come back to Washington?

Mr. THOMSON. Yes, sir.

Mr. ALEXANDER. I did not understand what position you were in at that time when you resigned. What position were you holding?

Mr. THOMSON. Assistant chief clerk in the Post Office Department.

Mr. ALEXANDER. Who was Postmaster General then?

Mr. THOMSON. Mr. Meyer.

Mr. McCoy. Between October 5, 1908, and the close of the campaign did you have anything whatever to do with the campaign in any way, shape, or manner?

Mr. THOMSON. No, sir; not a thing except to go home and vote on election day.

Mr. McCoy. Did you not write any letters from Washington or elsewhere to Chicago or any of the other headquarters?

Mr. THOMSON. Not in any official capacity; no, sir.

Mr. McCoy. What letters did you write in a private capacity?

Mr. THOMSON. I do not recall now that I have written any.

Mr. McCoy. Have you any copies of them, if you did?

Mr. THOMSON. No, sir; I think not.

Mr. McCoy. Have you any way of refreshing your recollection as to whether or not you wrote any letters?

Mr. ALEXANDER. Do you mean if he did in campaign work?

Mr. McCoy. Yes; in reference to the campaign.

Mr. THOMSON. Oh, no; I can state positively that I did not write any campaign letters after I returned to Washington.

Mr. McCoy. I do not mean in any official capacity; but in a private capacity did you write any letters?

Mr. THOMSON. I was about to remark that of course during my residence in Chicago I made a great number of friends there, and I have no doubt but what I wrote personal letters in a friendly way to those persons.

Mr. McCoy. Were those persons connected with the organization conducting the campaign?

Mr. THOMSON. Some of them; yes, sir.

Mr. McCoy. You say you have no doubt you wrote some letters. Can you remember writing any letters at all to anybody in the campaign headquarters after you returned to Washington?

Mr. THOMSON. No, sir; I can not remember any specific instance. I just have a general recollection that I wrote some letters of a purely personal nature. I could not say just to whom those were addressed at the present time.

The CHAIRMAN. Why did you sever your connection with the campaign bureau at Chicago on October 5?

Mr. THOMSON. On account of a notification I received that unless I returned to Washington by that date I could not be reinstated, under a ruling of the Civil Service Commission.

The CHAIRMAN. From whom did you receive that notice?

Mr. THOMSON. The chief clerk of the Post Office Department.

Mr. McCoy. With whom did you make arrangements for leave of absence during this period from August to October, 1908?

Mr. THOMSON. Originally I made application to Postmaster General Meyer for leave of absence without pay, and left Washington before full consideration had been given to my application, and I was notified a short time after my arrival in Chicago that the leave of absence with pay could not—

Mr. McCoy. Leave of absence without pay, you mean?

Mr. THOMSON. Yes; I beg your pardon—that leave of absence without pay could not be granted, or would not be granted, and that if I desired to retain my connection with the campaign committee it would be necessary for me to resign, which I did, on August 24, 1908, effective August 22, 1908.

Mr. McCoy. When you resigned, as you state, did you expect you could be reinstated on request?

Mr. THOMSON. I hoped to be, although I had no assurance one way or the other that I would be.

Mr. McCoy. At whose suggestion was it that you took part in the campaign?

Mr. THOMSON. My own.

Mr. McCoy. Had you ever done that before?

Mr. THOMSON. No, sir.

Mr. McCoy. What did you do—volunteer your services to the Chicago bureau?

Mr. THOMSON. Yes, sir; I virtually made application.

Mr. McCoy. You had never taken part in campaigns before?

Mr. THOMSON. No, sir.

Mr. McCoy. Did you indicate to them what kind of work you could do if you were employed in the campaign headquarters?

Mr. THOMSON. No, I think not; other than to say I thought I might be useful in the office by reason of my official experience in Washington.

Mr. McCoy. What did you mean by that, exactly?

Mr. THOMSON. I was assistant chief clerk of the Post Office Department for some time, and at various intervals was acting chief clerk of the department.

Mr. McCoy. In what way would that be of any benefit to you or the committee in your work out there—the campaign committee?

Mr. THOMSON. I thought my experience would be helpful in operating there and organizing it.

Mr. McCoy. Is the Post Office Department organized in any such way as the campaign committee work is organized?

Mr. THOMSON. No, sir; not at all.

Mr. McCoy. Then, what could your experience in the department in the way of organization avail you out there in helping the committee?

Mr. THOMSON. Clerical organization. I mean, in the clerical organization of the office. I may say that I did not enter into the campaign work in a political capacity whatever. I was an office man and attended to the office organization and the clerical work of the office.

Mr. ALEXANDER. Your previous experience as a stenographer and clerk, you thought, made you valuable in that capacity?

Mr. THOMSON. And as acting chief clerk of the department, where I was called upon to handle questions regarding the organization of an office—I thought that would be valuable; yes, sir.

The CHAIRMAN. As a matter of fact, was not your acquaintance with men and with politicians of the country what led you to believe you would be of value to the campaign bureau?

Mr. THOMSON. No, sir; that did not enter in the consideration so far as I was concerned whatever.

Mr. McCoy. You were willing to take a gamble on the possibility of your reinstatement?

Mr. THOMSON. Yes.

Mr. McCoy. Mr. Thomson, was it intimated to you in any way, shape, or manner, before you took part in this campaign out there, that your services were desired by the campaign committee or any member of it?

Mr. THOMSON. No, sir.

Mr. McCoy. You had no intimation from any source whatever?

Mr. THOMSON. Absolutely none.

The CHAIRMAN. And had no assurance that you would be reinstated upon request?

Mr. THOMSON. No, sir; absolutely none.

Mr. McCoy. And holding a position, you resigned for what you knew would be merely a temporary employment, without suggestion from anybody and simply with the hope that you could be reinstated?

Mr. THOMSON. Yes, sir.

Mr. REDFIELD. Mr. Thomson, you, of course, had to give your superior officer notice of your intention to leave at this time?

Mr. THOMSON. In August, you mean?

Mr. REDFIELD. Yes.

Mr. THOMSON. Yes, sir.

Mr. REDFIELD. Tell the committee as nearly as possible what you said to your superior and what he said to you.

Mr. THOMSON. My immediate superior officer was the chief clerk in the Post Office Department.

Mr. McCoy. Who was he?

Mr. THOMSON. Mr. C. A. Conrard. As nearly as I can remember, I asked the chief clerk what he thought about my securing leave of absence without pay, telling him the reason why I expected to ask for it, and he expressed the opinion that it could not be done.

Mr. REDFIELD. Was that all?

Mr. THOMSON. He said he would take it up with the Postmaster General and let me know.

Mr. REDFIELD. Then what occurred?

Mr. THOMSON. Then I went to Chicago.

Mr. REDFIELD. Did you not hear from Mr. Conrard after that?

Mr. THOMSON. Yes, sir.

Mr. REDFIELD. What did you hear from him?

Mr. THOMSON. I heard that the Postmaster General had decided, after conference with the President, I believe, that leave of absence without pay could not be granted in order to enable employees of any department to engage in campaign work, or work with campaign committees, and that if I desired to retain my connection with the campaign committee it would be necessary for me to resign.

Mr. REDFIELD. You say "Retain your connection." How long had you had connection with them?

Mr. THOMSON. A little less than a week.

Mr. REDFIELD. And did you resign at once?

Mr. THOMSON. Yes, sir; my resignation was accepted by the Postmaster General on August 24, 1908, and made effective August 22, 1908.

Mr. REDFIELD. With whom, on the part of the campaign committee, were you in consultation at this time?

Mr. THOMSON. You mean prior to my connection with the committee?

Mr. REDFIELD. At the time you began your connection.

Mr. THOMSON. With Mr. Hitchcock, the chairman of the committee.

Mr. REDFIELD. It was with him as chairman that you made your arrangements for working on the campaign committee?

Mr. THOMSON. Oh, yes; yes, sir.

Mr. REDFIELD. And when you say Mr. Hitchcock you mean the gentleman who is Postmaster General?

Mr. THOMSON. Mr. Frank H. Hitchcock, who is Postmaster General at this time.

Mr. REDFIELD. So that you arranged with Mr. Hitchcock to enter the employ of the campaign committee prior to obtaining knowledge from your superiors that you could be released for that purpose?

Mr. THOMSON. Yes, sir.

Mr. REDFIELD. And was your employment made in any way conditional upon your obtaining that permission?

Mr. THOMSON. No, sir.

Mr. REDFIELD. Then, as a matter of fact, it was while a public servant and expecting, so far as you knew, to continue as such, that you made your arrangements to serve the campaign committee?

Mr. THOMSON. I do not understand your question in so far as you said "expecting to continue as such."

Mr. REDFIELD. I understood you to say you had no knowledge that you would be prevented from doing this work while still retaining your post.

Mr. THOMSON. The understanding that I had with myself was that if I undertook this work with the campaign committee I would necessarily have to do it without any pay, so far as the Government was concerned; in other words, that I would either have leave of absence without pay or would be obliged to resign.

Mr. REDFIELD. But you still thought it possible at the time when, being a public servant, you entered the campaign committee's employ, that you might still remain as a public servant, though temporarily without salary?

Mr. THOMSON. I thought it a bare possibility. I did not feel very sanguine about it.

Mr. REDFIELD. In consultation with Mr. Hitchcock at this time, is it not a fact that there was an understanding, expressed or implied, that due influence would be used to restore you to your position in the Post Office Department at the close of the campaign?

Mr. THOMSON. No, sir.

Mr. REDFIELD. Did you show to Mr. Hitchcock the letter in which you were advised of the necessity of resigning?

Mr. THOMSON. No, sir; I think I told him.

Mr. REDFIELD. What did he say?

Mr. THOMSON. He left it absolutely up to me.

Mr. REDFIELD. The answer, I think, is not quite responsive. What did he say?

Mr. THOMSON. I can not recall what he said, but it was to the effect that I could use my own judgment in the matter.

Mr. REDFIELD. Were other public men cognizant of the position in which you stood at this time?

Mr. THOMSON. Do you mean my position in the campaign committee?

Mr. REDFIELD. Yes; and the fact you had resigned your permanent post in the civil service to accept a purely temporary job. I asked if there were other public men who knew these facts?

Mr. THOMSON. I presume so; I could not say positively.

Mr. REDFIELD. Whom do you presume they were?

Mr. THOMSON. Postmaster General Meyer must have known it.

Mr. REDFIELD. You wish the committee to understand, then, that the Postmaster General, your superior officer, knew that you were leaving a permanent post in the public service for a temporary one, which would at most last but three months and which was subject to all the risks and exigencies of a political campaign, and yet had no counsel or suggestions or advice of any kind to offer?

Mr. THOMSON. You mean the Postmaster General had no suggestions to offer.

Mr. REDFIELD. Yes.

Mr. THOMSON. No, sir; I had no talk with Mr. Meyer at all.

Mr. REDFIELD. Then you wish us to understand also that Mr. Hitchcock and other gentlemen connected with the Republican National Committee, who knew also that you were resigning in favor of work in which they were deeply interested a permanent post for a temporary one, and that they accepted that sacrifice on your part without giving you any faintest notion that by word or influence they would serve you at the end of the campaign in any possible way?

Mr. THOMSON. I had no such assurances, absolutely.

Mr. ALEXANDER. To make it more direct, did not Mr. Hitchcock, as chairman of the Republican national committee, promise you in the event you would go with the committee and serve them in the capacity indicated that he would use his influence to have you preferred in the service?

Mr. THOMSON. No, sir; I had no such assurance.

Mr. McCoy. You say that when you took up your work with the campaign committee you knew you took a chance of having to work without pay or to resign?

Mr. THOMSON. Yes, sir; in so far as that part of it was concerned.

Mr. McCoy. And you were prepared to make a sacrifice whichever way it turned out?

Mr. THOMSON. Yes, sir.

Mr. McCoy. Then why did you come back on October 5?

Mr. THOMSON. In order to secure reinstatement.

Mr. McCoy. Then you changed your mind about your willingness to make a sacrifice?

Mr. THOMSON. When I received notice that I must return by a definite date in order to secure reinstatement the greater part of the work in which I had been engaged had been accomplished.

Mr. McCoy. Then explain just exactly what work you did out there in Chicago.

Mr. THOMSON. As chief clerk of the office I attended to the appointment of clerks and the fixing of their salaries and the distribution of the work among them, and as purchasing agent I attended to the purchase of the necessary office and other supplies; always in consultation with the secretary of the committee, however, my immediate superior officer in the work.

Mr. McCoy. Did you have anything to do with the distribution of campaign literature at all?

Mr. THOMSON. Only in a general way.

Mr. McCoy. Did you have anything to do with naming persons to whom campaign literature should be sent?

Mr. THOMSON. No, sir.

Mr. McCoy. Did you have anything to do with selecting people to do work in the campaign in various places throughout the country?

Mr. THOMSON. No, sir; none, except in the office at Chicago in a clerical capacity.

Mr. McCoy. Did you make any suggestions while you were there to anybody connected with the campaign committee as to who were influential in different neighborhoods and who might be interested in the campaign work?

Mr. THOMSON. No; I think not.

Mr. McCoy. Did any member of the campaign committee or anybody connected with it in any way seek in any way, shape, or manner to avail themselves of your knowledge of persons gathered while you were in the post-office service?

Mr. THOMSON. I do not recall any instance; no, sir.

Mr. McCoy. Without attempting to recall any specific instance, in a general way can you state whether you made use of your knowledge of persons gathered while you were in the service of the Post Office Department—did you make such use of such knowledge in this campaign work?

Mr. THOMSON. No, sir; I think I can state that positively; no.

Mr. McCoy. Was Chicago the main headquarters of the campaign committee?

Mr. THOMSON. No, sir.

Mr. McCoy. Where were the main headquarters?

Mr. THOMSON. New York City.

Mr. McCoy. Did you have any communication with the New York City headquarters while you were in the committee work?

Mr. THOMSON. Quite naturally there were communications passing to and fro at all times.

Mr. McCoy. Did you have any or did you have anything to do with any communications between the two campaign headquarters?

Mr. THOMSON. Yes. I had written letters to the chief clerk of the office in New York.

Mr. McCoy. What was the necessity for doing that?

Mr. THOMSON. It would be pretty hard for me to say now—business exigencies.

Mr. McCoy. Were the Chicago headquarters in any way independent of the New York headquarters?

Mr. THOMSON. I could not say.

Mr. McCoy. What would be the necessity for any communication by you, in your work out there, with the New York headquarters?

Mr. ALEXANDER. I assume that if he was on the job, he did all he could to promote the welfare of the organization.

Mr. McCoy. That is true, but I want to find out just what was done.

Read the question to the witness, Mr. Stenographer.

The STENOGRAPHER (reading):

What would be the necessity for any communication by you, in your work out there, with the New York headquarters?

Mr. THOMSON. I should say the same necessity that would exist between two branches of any business operating along the same line.

Mr. McCoy. But I understood your duties in Chicago were simply to organize the office force.

Mr. THOMSON. I think, if you will remember, I said I was chief clerk and purchasing agent, and that my duties consisted not only of organizing the office force and attending to office routine, but the purchase of office and other supplies.

Mr. McCoy. Were any supplies purchased for the Chicago headquarters through the New York headquarters?

Mr. THOMSON. I think not, but there were cases that I recall where the New York headquarters bought supplies, and we availed ourselves of a portion of those particular supplies for use in the Chicago headquarters.

Mr. ALEXANDER. I would like to ask this question, with permission, at this time: How many other employees of the Post Office Department here in Washington withdrew temporarily to engage in campaign work, if you know?

Mr. THOMSON. I could not say the exact number, sir, but I do know there were others besides myself.

Mr. ALEXANDER. Give their names, as far as you can recollect them, and state who they were and what official positions they held here in the Post Office Department at the time they withdrew.

Mr. THOMSON. F. S. Henrichs, a stenographer in the office of the Assistant Attorney General.

Mr. ALEXANDER. Assistant Attorney General for the Post Office Department?

Mr. THOMSON. Yes, sir.

Mr. ALEXANDER. Who else?

Mr. THOMSON. I am trying to recall the name of a man. I can not recall his name, but he was a clerk in the Division of Classification. As nearly as I can recall, those are the only two men from the Post Office Department who were in the Chicago headquarters.

Mr. ALEXANDER. Do you know of any that were in the New York headquarters?

Mr. THOMSON. Yes, sir. There was a telegrapher named Hardy.

Mr. ALEXANDER. What position did he hold in the Post Office Department here?

Mr. THOMSON. Telegrapher—telegraph operator.

Mr. ALEXANDER. Was there one named Keating?

Mr. THOMSON. Oh, you refer to C. H. Keating, or C. A. Keating, who was Deputy Auditor for the Post Office Department, an employee in the Treasury Department.

Mr. ALEXANDER. Where was he?

Mr. THOMSON. He was in the Chicago headquarters for a short time and then went to New York.

Mr. ALEXANDER. What did you say his official connection with the Post Office Department was?

Mr. THOMSON. He had no connection whatever with the Post Office Department. He is an employee of the Treasury Department and Deputy Auditor for the Post Office Department.

Mr. ALEXANDER. Where is Henrichs?

Mr. THOMSON. He is in the Post Office Department.

Mr. ALEXANDER. What official position does he hold there now?

Mr. THOMSON. He is a clerk.

Mr. ALEXANDER. Did he go back to his old duties?

Mr. THOMSON. I think so; yes, sir.

Mr. ALEXANDER. Did he receive any promotion?

Mr. THOMSON. Not that I know of. I would not say that positively; I am not sure. I think not, however.

Mr. ALEXANDER. What has become of Hardy?

Mr. THOMSON. Hardy is a telegrapher in the Post Office Department.

Mr. ALEXANDER. He went back to his old place?

Mr. THOMSON. Yes, sir.

Mr. ALEXANDER. Is Keating connected with the Treasury Department as Deputy Auditor now for the Post Office Department?

Mr. THOMSON. Yes, sir. He is also back in the office.

Mr. ALEXANDER. I do not know whether it is so or not, but I have often heard it asserted: Is there a rule that these employees of the Government under civil service shall not take active part in politics or political campaigns?

Mr. THOMSON. Yes, sir; I think there is such a rule.

Mr. ALEXANDER. Is there such a rule as that in the Post Office Department, relating not only to the employees here in the departments in Washington, but to postmasters as well?

Mr. THOMSON. Yes, sir.

Mr. ALEXANDER. Is any effort made, so far as you have knowledge, to enforce that rule?

Mr. THOMSON. So far as postmasters are concerned, I think so, through the office of the First Assistant Postmaster General.

Mr. ALEXANDER. That is, the First Assistant Postmaster General is the officer charged with the enforcement of that rule?

Mr. THOMSON. Yes, sir; he is the official in direct charge of all postmasters and clerks in post offices.

Mr. ALEXANDER. Do you, by reason of your connection with the service, know of any cases where postmasters have been disciplined or dismissed on account of activity in politics?

Mr. THOMSON. I have heard of instances; but I can not recall any specific ones at this time.

Mr. ALEXANDER. Do you know or do you not know as a fact that during the campaign of 1908, the postmasters, and especially the postinasters at presidential offices, were active in the campaign?

Mr. THOMSON. No, sir; I do not know.

Mr. ALEXANDER. And that in many instances, they were perniciously active, not only as against the opposite political party, but in the Republican conventions and in the Republican primaries, and in the selection of clerks for office?

Mr. THOMSON. No, sir.

Mr. ALEXANDER. And also in the selection of delegates to the Republican national convention; have you any knowledge along that line?

Mr. THOMSON. No, sir.

Mr. ALEXANDER. Complaints have been made to us, I will say, that there was such activity, and we want to know the facts as far as you have knowledge of them.

Mr. THOMSON. No, sir; I have no knowledge of it.

The CHAIRMAN. Now, Mr. Thomson, you say that at the time you decided you would like to connect yourself with the national Republican committee, in 1908, that you left without receiving the consent of your superior officer?

Mr. THOMSON. No, sir; I did not say that; no, sir.

The CHAIRMAN. Then, do I understand that you did have the consent of some superior officer to absent yourself from the office?

Mr. THOMSON. Yes, sir; on my own application for leave without pay. Postmaster General Meyer was not in the city at the time I desired to go, and the chief clerk took my application and said he would consult the Postmaster General on the subject.

The CHAIRMAN. And then, shortly after you went out to Chicago, you received word that a leave without pay would not be granted, and that you must resign?

Mr. THOMSON. Yes, sir; within a very few days after I arrived in Chicago I received a letter to that effect.

The CHAIRMAN. And you did resign?

Mr. THOMSON. Yes, sir; immediately.

The CHAIRMAN. Did you resign only for a time or permanently?

Mr. THOMSON. As nearly as I can recollect it, my resignation was just the same as that of anybody who would leave the service permanently.

The CHAIRMAN. Permanently?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. If your resignation was permanent, why did you receive a notice from the chief clerk that you must return if you desired to hold your position, after you had resigned and your resignation had been accepted?

Mr. THOMSON. As I understand it, the notice I received was by direction of the President or by direction of the Civil Service Com-

mission, I am not sure which. I was not the only employee of the Government who resigned to take an active part in the political campaign, and the President, as I understand it, considered all the cases at once, and directed that a time limit be set for the reinstatement of those who desired it, and that any who did not avail themselves of that opportunity during the time limit set would not be reinstated. That time limit was set at October 5, 1908.

The CHAIRMAN. Mr. Thomson, are you a married man?

Mr. THOMSON. Yes, sir; I am a widower.

The CHAIRMAN. When was it that you were appointed inspector in charge, as you stated, at Austin, Tex.?

Mr. THOMSON. Last October—October, 1910.

The CHAIRMAN. At that time did you keep house in Washington?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. And when you received the appointment to go to Austin, Tex., did you move your household effects down to Texas?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. Who packed up your household goods?

Mr. THOMSON. A man named Sidney Wilson.

The CHAIRMAN. Did you have any employees of the Post Office Department to assist in that work?

Mr. THOMSON. Sidney Wilson was in the employ of the Post Office Department.

The CHAIRMAN. Was he the only post-office employee who assisted you?

Mr. THOMSON. I would not say for certain, but I rather think he was the only one; yes, sir.

The CHAIRMAN. Do you know a Post Office Department employee by the name of David Powell?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. Did he not assist you in packing up the goods?

Mr. THOMSON. At my house?

The CHAIRMAN. While at your house, or in transferring them or storing them?

Mr. THOMSON. Not to my knowledge; no, sir.

The CHAIRMAN. Do you know a Post Office Department employee by the name of W. H. Hamilton?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. Is it not a fact that he assisted you in packing up your goods?

Mr. THOMSON. No, sir; not that I know of.

The CHAIRMAN. Do you know a Post Office Department employee by the name of W. H. Byrne?

Mr. THOMSON. Yes, sir; he is a carpenter, in the Division of Supplies.

The CHAIRMAN. Did he assist you in packing up or moving your things?

Mr. THOMSON. I did not ask him; no, sir.

The CHAIRMAN. If he had assisted you, would you know it?

Mr. THOMPSON. At the time that this packing was going on I was a pretty busy man one way and another. In the first place, my wife was very ill and I had her in the mountains of West Virginia, and at the same time I was superintendent of the Division of Supplies, and also at the same time I was a member of the committee appointed by

the Postmaster General to formulate the plans for operating postal savings depositories. As I started to say, I was very busy, and I turned over to Sidney Wilson the job of packing up my goods. I asked him to see that all this stuff was packed up to go away by freight.

The CHAIRMAN. You do not know, then, whether or not Powell, Hamilton, and Byrne, or others, assisted him in that work?

Mr. THOMSON. I would be inclined to say not, because if they had, surely I would have heard of it.

The CHAIRMAN. Then, you say that to the best of your knowledge and belief none of these men assisted in that work?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. Well, this man Wilson had charge of the packing up of your goods?

Mr. THOMSON. I just turned it over to him and told him to fix up everything.

The CHAIRMAN. Did he perform that work while on the rolls in the employ of the Post Office Department?

Mr. THOMSON. Yes, sir; but he was on leave of absence.

The CHAIRMAN. You say he was on leave of absence?

Mr. THOMSON. Yes, sir.

Mr. REDFIELD. Without pay?

Mr. THOMSON. No, sir; not without pay. He was away for these few days and had it charged to his annual leave and, furthermore, I will say that I paid him well for all he did.

The CHAIRMAN. Do you know of an employee down there, a laborer in the department, perhaps, named J. E. Graves?

Mr. THOMSON. Yes, sir.

The CHAIRMAN. What, if anything, did he do for you in the way of packing your goods or working about your home previous to the packing of the household goods?

Mr. THOMSON. I had Graves to make some screens for the windows of the house, and he also built a room down in the basement of the house for servant's quarters; but he was on annual leave when he did it, and was paid for the work. He did it in his private capacity as a carpenter.

The CHAIRMAN. Was any of this lumber that was used for packing your goods taken from the lumber in the carpenter's shop at the Post Office Department.

Mr. THOMSON. No, sir.

The CHAIRMAN. Who had charge of the shipping of your goods? Did a man by the name of George Landick have charge of the shipping of the goods?

Mr. THOMSON. He saw that the bill of lading was made out and acted as my representative in that capacity, simply because I did not have the time to go to the wharf and do it myself.

The CHAIRMAN. And the charges for drayage, cratage, and shipping were paid by you?

Mr. THOMSON. Yes, sir; I paid all these bills by check.

The CHAIRMAN. You paid the Knox Express Co. for transferring your things?

Mr. THOMSON. I think I paid them either \$8 or \$10—that is, to the George W. Knox Express Co. I would not be certain as to the amount, but I think it was \$8 or \$10.

The CHAIRMAN. Do you know Edward Walker and Jacob Fenderson?

Mr. THOMSON. Yes, sir; they are employed as laborers in the Division of Supplies.

The CHAIRMAN. What do you say as to whether or not they assisted in the packing of your things and performing other labor about your home?

Mr. THOMSON. I do not know anything about that. They did not, to my knowledge. To my knowledge, they did not do any work for me.

The CHAIRMAN. Is it the custom, Mr. Thomson, to serve luncheons in the Post Office Department for your family and friends during office hours?

Mr. THOMSON. No, sir.

The CHAIRMAN. And you never have?

Mr. THOMSON. I have not during office hours; but during lunch hours I have.

The CHAIRMAN. What are the lunch hours?

Mr. THOMSON. Between 12.30 and 1 o'clock, or between 12 and 12.30 o'clock; it is half an hour in the middle of the day. I would like to say right there, in my own defense on that matter, that my wife was ill with tuberculosis; she was so ill that I found it necessary to bring my mother here from Detroit to be a companion for her, and while my mother was here and my wife had recovered to the extent that she was able to go out—she had never been to my office in the Division of Supplies since I had been appointed superintendent. I had been assured by physicians just a few days before that I must get her away from Washington, and that, in all probability, she would not recover (she died on January 28, 1911), and I thought it would be a nice thing on my part to have my wife and mother and the two children to come to my office for lunch. Accordingly, I arranged a little luncheon in my office at the Division of Supplies. It did not consume, all told, but a few minutes more than half an hour. Aside from the fact that I had my relatives there as my company on that day, there was nothing, as I can understand it—there was nothing improper in having my lunch in my office. I had done it hundreds of times before and hundreds of times since.

Mr. McCoy. Did you have a regular lunch room there?

Mr. THOMSON. Yes, sir.

Mr. McCoy. Where all the employees can have lunch?

Mr. THOMSON. Where they can purchase their lunch in the café, in the small building known as the annex. The annex consists of an eight-story building and a three-story building, at the corner of First and K Streets NE.

The CHAIRMAN. Now, Mr. Thomson, you say that you have had two of the employees or laborers and a carpenter who are employed in the Post Office Department to do work for you in working hours, and while they were in the Government pay?

Mr. THOMSON. Except, as I have just stated, where they would be granted a leave of absence to be charged up to their annual leave. They are entitled to 30 days' annual leave.

The CHAIRMAN. And it was not while they were in the Government's pay?

Mr. THOMSON. No, sir.

The CHAIRMAN. I said, while in the Government's pay?

Mr. THOMSON. No, sir; to the best of my knowledge and belief, no, sir.

Mr. McCoy. This was time that they used for their own benefit, or time which they would otherwise have been entitled to have for vacation, and which they do annually take as a vacation?

Mr. THOMSON. Yes, sir; unquestionably they take the 30 days.

The CHAIRMAN. What percentage of your time have you been spending in your office; that is, previous to your appointment as Superintendent of the Rural Delivery Division? How much time have you been in your office, and how much time have you been absent from Washington?

Mr. THOMSON. As Superintendent of the Division of Supplies?

The CHAIRMAN. Yes, sir.

Mr. THOMSON. It would be pretty hard to estimate it, because I have spent a good deal of my time over at the Post Office Department as a member of several of the postal committees, and particularly as a member of the postal savings bank committee. I spent for weeks, or for months, I might say, the major portion of the working day in the Post Office Department Building, and every evening, and, in some cases, all night.

The CHAIRMAN. But what I want to inquire is how much time you have been employed in your official duties here in Washington, and how much time you have been absent from the city?

Mr. THOMSON. I have been absent a very small percentage of the time.

The CHAIRMAN. Do you say that you have been in Washington at least half of the time?

Mr. THOMSON. Oh, yes; I take it that you are speaking of the time while I was superintendent of supplies.

The CHAIRMAN. How long have you been Superintendent of the Rural Delivery Division?

Mr. THOMSON. A couple of months. Of course, it must be remembered that prior to my appointment as Superintendent of the Division of Rural Delivery I was in charge at Austin, Tex., having charge of the Texas and Louisiana Division.

The CHAIRMAN. From October?

Mr. THOMSON. From October until April I was away from Washington, but, as I understand your question, you want to know from me how much time I spent in Washington while I was Superintendent of the Division of Supplies?

The CHAIRMAN. That is what I want to know.

Mr. THOMSON. It would be pretty hard to make an accurate estimate of that, but I feel absolutely safe in saying that I spent 90 per cent of the time here, perhaps even more than that.

The CHAIRMAN. You succeeded Mr. Spilman as Superintendent of the Rural Delivery Division?

Mr. THOMSON. No, sir; I succeeded Mr. Ingalls.

The CHAIRMAN. How long was Mr. Ingalls Superintendent of the Rural Delivery Division?

Mr. THOMSON. I will not be sure of these dates, but from sometime last summer—that is, the summer of 1910—until April 1, 1911. Probably from July 1, 1910, until April 1, 1911.

The CHAIRMAN. Do you know how long Mr. Spilman had been the Superintendent of the Rural Delivery Division?

Mr. THOMSON. For a number of years—four or five years, at least.

The CHAIRMAN. He had a very valuable knowledge of the Rural Delivery Service, did he not?

Mr. THOMSON. I do not know.

Mr. MCCOY. Where is he now?

Mr. THOMSON. He is the Superintendent of the City Delivery Service.

The CHAIRMAN. Do you know why the transfer was made?

Mr. THOMSON. I have no idea.

The CHAIRMAN. What has become of Mr. Ingalls?

Mr. THOMSON. He is the General Superintendent of the Railway Mail Service.

Mr. MCCOY. Who is the man who has charge of the City Delivery Service?

Mr. THOMSON. Mr. Spilman, who was formerly the Superintendent of the Rural Delivery Division.

Mr. ALEXANDER. Mr. Thomson, I call your attention to Exhibit No. 19, beginning on page 213, of our Hearings No. 4. That was prepared under your supervision?

Mr. THOMSON. This matter was prepared while I was absent from the city—that is, the exhibits—and after my return I was asked to look them over.

Mr. ALEXANDER. When Mr. De Graw was before the committee, his attention was called to this matter, and he was requested to furnish these exhibits. I have been examining them with some care, and find that the number of petitions for rural delivery service which have been referred to the chief inspector for investigation are 1896, as shown by this exhibit; also that the proposed rural routes approved and in process of being established are only 272, and that the proposed rural routes reported on by the inspector, but not yet reviewed, are 64. Those approved and in process of establishment and those reported and not reviewed are 336, out of 1896 petitions. Now, tell the committee why it is that this vast number of petitions for rural delivery service are not acted on more speedily? What is the reason for the delay? I will say, in that connection, that when the Post Office appropriation bill was under consideration last winter, there was very sharp criticism from different parts of the country growing out of the fact that these petitions for rural delivery service were held up, or, at least, have not been acted on. For instance, in Alabama, there are 70 petitions for rural delivery service referred to the chief inspector for investigation; in Arkansas, there are 91; in Colorado, there are 28; in Florida, there are 49; in Georgia, there are 94; in Idaho, there are 24. I only call your attention to the larger ones. In Kansas, there are 33; in Kentucky, there are 89; in Louisiana, there are 65; in Minnesota, there are 33; in Mississippi, there are 141; in Missouri, there are 54; in New York, there are 29; in North Carolina, there are 74; in North Dakota, there are 56; in Oklahoma, there are 119; in Pennsylvania, there are 45;

in South Carolina, there are 55; in Tennessee, there are 42; in Texas, there are 236; in Virginia, there are 64; in West Virginia, there are 44; and in Wisconsin, there are 36. Now, I have not called attention to all of them, but to the principal ones. Please explain to the committee why it is that so many petitions are pending and the routes have not been investigated and approved and reports made to the department.

Mr. THOMSON. I would say, in the first place, Judge Alexander, all things considered—that is, the fact that this is a big country of 90,000,000 people and that there are over 50,000 post offices—there is a question in my mind whether the number of petitions in the field awaiting investigation can be considered a large number, particularly, when you come to think that not all of these petitions, but quite a small percentage of them, will ever result in the establishment of routes, by reason of the fact that upon investigation it is found that they do not conform to the conditions required for the establishment of the route.

Mr. ALEXANDER. Right in that connection—and I will say I have had the same matter up with Mr. De Graw—is the field force of inspectors sufficient now to make the investigations and reports on these petitions, or in the lack of sufficient field force responsible in any way for the delay?

Mr. THOMSON. If it can be regarded as delay, the field force is not large enough, because of the other and at times more important and more urgent matters that have to be taken up by the inspectors. I would not care to dwell very much on the subject, because the chief inspector has charge of the inspections, and I presume he would be able to tell you better than I could about the matter.

Mr. ALEXANDER. I refer to Mr. De Graw's testimony, which is substantially that so much of the time of these inspectors is withdrawn for the consideration of other business that it results in delay in investigating and reporting on these petitions for rural delivery service.

Mr. THOMSON. In my mind there is a question as to the proper use of the word "delay," and I notice in the published hearings that two of the tables which were submitted by the Postmaster General, with his letter of the 8th instant, have been omitted or else put at some other point.

Mr. ALEXANDER. On page 212 you will find the letter from the Postmaster General.

Mr. THOMSON. And immediately following that letter there should be two tables, one showing the annual appropriations and expenditures for the Rural Delivery Service, and the unexpended balance.

The CHAIRMAN. You will find them in the hearing.

Mr. THOMSON. I want to refer to it in this way, as shown by these tables of the annual appropriations and expenditures during the fiscal years 1909 and 1910, less than 1 per cent of the total appropriation reverted to the Treasury as the unexpended balance, showing that the Postmaster General expended a great volume of the appropriation, and did it with a margin of safety of less than 1 per cent, which I think any business man will regard as small, to say the least.

Mr. ALEXANDER. You refer to the exhibit on page 233?

Mr. THOMSON. Yes, sir.

Mr. McCoy. You speak of the appropriation, do you mean the general Post Office appropriation, or the appropriation for Rural Delivery Service?

Mr. THOMSON. I refer to the appropriation for Rural Delivery Service. That indicates in itself that there could not have been any great amount of delay in the inspection of cases, because he was able to expend up to within less than 1 per cent of the total appropriation for these two years. So that, no matter if at that time there had been over 2,000 petitions on file awaiting investigation, if by a great rush, the chief inspector had sent to us, say, 67 of these cases inspected and ready for establishment, the Postmaster General would not have been able to establish them on account of the fact that he did not have the money. It would not have been a safe proposition for him to have gone over the small margin he had of less than 1 per cent, particularly in view of the fact that the figures for the year are not available until after the expiration of 30 days after the close of the year, and formerly it was 60 or 90 days before the figures became available.

Mr. ALEXANDER. What is the average annual cost of each rural delivery route?

Mr. THOMSON. I would like to make a confession, that during the time—that is, the 60 days that I have been in the service as superintendent—I have not absorbed all of the details of the service. I have some figures here, and will see if that question can be answered from them. You desire to know the average cost of each rural delivery route?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. It is about \$800, I think.

Mr. ALEXANDER. It is more than that, I think.

Mr. THOMSON. I would be glad to get up a statement along that line. Would it be proper, Mr. Chairman, for me to prepare a statement embodying that information and any other statistical matter that you would like to have and submit it to the committee?

The CHAIRMAN. We would be glad to have it.

Mr. REDFIELD. I point out to you that in the Postmaster General's letter, published on page 212 of the hearings, he states that 914 proposed routes have been investigated and reported on during the 11 months. I want to call your attention to the fact that this is at the rate of 997 per year, and that there were pending 1,755 petitions for Rural Delivery Service, which, at the rate of progress stated by the Postmaster General, would require 21 months for their investigation, even if no new ones were filed, and I ask you whether there are any measures pending to remedy that condition in your department?

Mr. THOMSON. That is a matter not within my jurisdiction as Superintendent of the Rural Delivery Division. That is a matter that comes wholly within the jurisdiction and province of the chief inspector, and I am unable to say whether or not he is making any effort along that line.

Mr. REDFIELD. I am calling your attention, then, to exhibit No. 20, published on page 233 of the hearings, on which you have commented as showing an unexpended balance of less than 1 per cent, which, if I remember correctly, you stated is as low a margin as it would be possible to have. I ask you whether, in the previous year, 1909, the

expenditures approached much more nearly the appropriation than in 1910?

Mr. THOMSON. I was speaking of the two years—1909 and 1910.

Mr. REDFIELD. But in the year 1909 they approached much more nearly than 1 per cent of the appropriation. The unexpended balance was \$78,000, whereas 1 per cent would have been about \$356,000, while in 1910 the unexpended balance was \$282,000, whereas 1 per cent would have been \$372,000, in round numbers. Why was not the record as good in 1910 as it was in 1909?

Mr. THOMSON. I can not answer that.

Mr. REDFIELD. I further call your attention to the years stated in the same schedule, 1902 and 1901, and point out that in the year 1902 the appropriation was used to within approximately one-tenth of 1 per cent of the amount appropriated, and in 1901 it was used to within one-twelfth of 1 per cent. I will ask you why there was not as good a record shown in 1910?

Mr. THOMSON. No, sir; I can not explain it.

Mr. REDFIELD. Then, referring to Exhibit No. 19, on pages 213 and following, I call your attention to the fact that the States wherein the greatest shortage exists, or, to use a clearer term, wherein the greatest amount of unfinished work exists, are the following States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, North Dakota, Oklahoma, South Carolina, Texas, and Virginia, and I ask you if you know the political complexion of most of these States?

Mr. THOMSON. Yes, sir; I do. In fact, I realized the complexion so well that I made a little comparison for my own information, and will submit it. In looking over the rural routes established during the year beginning July, 1910, I found that a majority of these routes were established in what we can call Democratic States. Out of 850 cases approved, 456 are in States of the political complexion spoken of and 394 are in Republican States.

Mr. ALEXANDER. Is it not a fact, however, that the Rural Delivery Service has been installed in those States that you are now calling Republican States? There are very few petitions pending for Rural Delivery Service in these States, because they have been already installed. I was not calling attention to this because of any political complexion. In Missouri we have considerable service, and in my congressional district we have the service in every county. The fact, of course, would arrest attention that most of these States where the petitions are pending are Southern States. Is there any reason why the Rural Delivery Service has not been installed there as rapidly as in the other States?

Mr. THOMSON. No, sir; I should say not. In fact, I believe I can produce figures, or, rather, send you a statement, to show you that the Rural Delivery Service has been very widely established throughout the Southern States.

Mr. REDFIELD. The point is not that. Without questioning the statement which you have made since I asked my question, I asked you if it does not remain true that the unfinished work of your division is chiefly in the States herein enumerated to you?

Mr. THOMSON. Well, strictly speaking, that work is not in my bureau; it is not there. It comes back to my bureau.

Mr. REDFIELD. I beg your pardon, but the unfinished work described in this exhibit—I am not trying to get you in any difficulty—but I asked you if the unfinished work under the Rural Delivery Division is not predominantly in the States of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Texas, and Virginia?

Mr. THOMSON. As shown by the exhibits, that would appear to be true, and I would extend that statement by saying that in the investigations of petitions for Rural Delivery Service it is found that quite a large percentage, as I have said once before, are not in condition for establishment. In other words, they have not the necessary number of families along the line of the proposed route, or the roads may be in such condition that it would be impossible to establish Rural Delivery Service along them, or there may be other conditions existing. It is found, I may say, from statistical tables made, that the number of petitions which have been investigated, and which result in a recommendation from the inspector for the establishment of Rural Delivery Service, averages about 35 per cent of the whole number of petitions filed. In speaking of the political complexion of the States in which these petitions are pending, I would like to say that the Postmaster General has repeatedly told the officials of the Post Office Department and of the department divisions, that politics are not to enter into the business of the department; that it is to be conducted along business lines, and that no other consideration is to enter into the business of the service.

Mr. McCoy. How many of the places, from which petitions have come for the establishment of rural delivery routes, have had inspectors sent to them? A lot of these places may have been inspected and no reports made, but how many have had inspectors actually sent to them?

Mr. THOMSON. That would be pretty hard to say. I could not say offhand.

Mr. McCoy. Is there no way by which you could get at that? How many of these places have had inspectors sent to them for the purpose of making the investigation?

Mr. THOMSON. Every one of them that has an existing route has had inspectors.

Mr. McCoy. But these are places where the routes have not been established?

Mr. THOMSON. No, sir; that may be true as to some of them.

Mr. McCoy. Of course, when I speak of these things I refer to the particular route they seek to have established. Arkwright, for instance, may have 10 rural routes from it, and there may be petitions for the establishment of other routes from that place.

Mr. THOMSON. These places listed here are the places from which petitions have come for the establishment of rural routes and which have not, so far as we know, been inspected by the post-office inspectors.

Mr. McCoy. Then, the point was, How many of the routes requested have not had inspectors sent to investigate them?

Mr. THOMSON. I could not give you the exact number, but I can tell you by percentage.

Mr. McCoy. I would not care for the percentage; but take Exhibit No. 19, and the first State on it is Alabama. That contains the pe-

titions for rural free-delivery service that have been referred to the chief inspector for investigation. Now, I am asking this question: Are these requests or petitions, when received, immediately referred to one of the inspectors by the chief inspector?

Mr. THOMSON. No, sir; because a great number of these petitions show on their face that it would be useless to go to the trouble and expense of making an investigation. They may show on their face that they have not met the conditions necessary for the establishment of a route.

Mr. McCoy. Exhibit No. 19 shows what petitions have been referred to the chief inspector for investigation?

Mr. THOMSON. Yes, sir.

Mr. McCoy. And my question would be, How many investigations have been made with reference to the petitions from all these places specified in this Exhibit No. 19? In other words, I would like to get at the delay, so far as it exists, and locate the trouble, if any trouble exists.

Mr. THOMSON. So far as the Division of Rural Mails is concerned, no trouble exists. We are able to handle the work as it comes to us.

Mr. McCoy. That is, in your department?

Mr. THOMSON. In the Division of Rural Mails. So far as the chief inspector's office is concerned, I can not say.

Mr. McCoy. But you could ascertain?

Mr. THOMSON. I can ask the chief inspector, just the same as this committee could ask him.

Mr. McCoy. Of course, it is a matter of interest to you as superintendent of the division to keep in touch with the work of the chief inspector's office?

Mr. THOMSON. Yes, sir; and in a general way we do keep in touch with him all the time.

Mr. McCoy. Of course, you must cut your garment according to the cloth.

Mr. ALEXANDER. I would like for you to give us the number of the routes of every length; that is, of the different lengths, and the cost of each, so we can ascertain the average cost for the routes. My notion is that, while we are at this, we should make the investigation as complete as we can, and save the Committee on Post Offices and Post Roads a great deal of trouble.

Mr. THOMSON. I think, so far as the Post Office Department is concerned, that the officials down there who are involved, will appreciate just the same thing, and would like to go right down to the bottom of it all. There were a great many statements made in Congress and in the newspapers that the Postmaster General was holding back the money, but this statement shows that he has not been holding it back at all. If you will bear with me, there is a little statement I want to make in connection with the question asked me a while ago. When I came to Washington as Superintendent of the Rural Mails, the Postmaster General told me that he had decided to place me in that position, and he called me into his office and gave me quite a long talk on the subject of rural delivery.

He told me very explicitly how he wanted me to operate the division. He made it clear to me that he desired all meritorious cases that came up to be favorably considered and the routes established, and that political considerations were not to enter into it to

any extent whatever. He reiterated that statement several times. Furthermore, I am not quite clear whether you gentlemen understand that recently, that is, on October 1, 1910, two services of the department—the Rural Delivery and the Star Route Service—were merged.

The CHAIRMAN. That was explained to us by Mr. De Graw.

Mr. THOMSON. I thought if he had not explained it to you I would do so, so that you would have a clear conception of what we are trying to do in order to avoid duplication in the service.

Mr. ALEXANDER. I will be glad if you will make a statement about that. The question has been agitated by Members of Congress to the effect that this is a policy of the Post Office Department to substitute Star Route Service for the present Rural Delivery Service, and that efforts were being made to do that in the interest of economy. In other words, that instead of retaining the present Rural Delivery Service, they would install Star Route Service covering the same field on a competitive basis.

Mr. THOMSON. That statement made in that general way is not precisely correct.

Mr. ALEXANDER. What are the facts?

Mr. THOMSON. The fact of the matter is that where we find that we can install a route under contract—that is, the star route—and give the people good service, and at the same time curtail or eliminate entirely a rural delivery route, we do it. On the other hand, we do exactly the same in the case of rural delivery routes where we find that by installing a rural delivery route we can discontinue a post office or a star route. In other words, we make the rural delivery carrier do the work of the postmaster, whose office has been discontinued, and of the star-route carrier who had been supplying these offices with mail. In other words, we are able by the close supervision that we give all these matters to avoid much of the duplication that has existed in times past.

Mr. ALEXANDER. In that connection, could you furnish the committee a statement showing the number of routes during the last year—for instance, star routes that have been superceded by rural delivery routes, and vice versa?

Mr. THOMSON. Yes, sir; I will furnish that.

(Thereupon the committee took a recess at 12 o'clock noon, to meet at 4.30 p. m.)

AFTER RECESS.

The committee resumed its session at 4.30 p. m., Hon. William A. Ashbrook (chairman) presiding.

The following members of the committee were present: Messrs. Ashbrook (chairman), Redfield, McCoy, and Slemph.

The witness, Joseph E. Graves, was sworn by the chairman.

STATEMENT OF JOSEPH E. GRAVES, 317 DELAWARE AVENUE NE., WASHINGTON, D. C.

The CHAIRMAN. You will give your name in full and your address to the committee.

Mr. GRAVES. I am Joseph E. Graves, and reside at 317 Delaware Avenue NE., Washington, D. C.

The CHAIRMAN. State whether or not you are now in the employment of the Post Office Department.

Mr. GRAVES. Yes, sir.

The CHAIRMAN. In what capacity are you working?

Mr. GRAVES. I am a packer for the post-office supplies—that is, for all post-office supplies.

The CHAIRMAN. How long have you been serving in that capacity?

Mr. GRAVES. Ever since the mails were changed. You know they were sending all the supplies as mail for a long time. I think it has been four years since they changed that. Now everything that weighs over 100 pounds goes by freight, with the exception of a few States, and to these States anything that weighs over 50 pounds goes by freight. I have been packing the supplies right along for the last 10 or 12 years, but have been more regularly at it for the last four years.

The CHAIRMAN. You have been in the service for 10 or 12 years?

Mr. GRAVES. I have been in the service about 20 years.

The CHAIRMAN. Mr. Graves, did you ever do any work for Mr. Thomson, who is now the Superintendent of the Rural Delivery Service, and who was formerly the superintendent of supplies?

Mr. GRAVES. I did, sir.

The CHAIRMAN. I refer particularly to work that you may have done for him at his home or elsewhere than at the Post Office Department?

Mr. GRAVES. Well, I did some work for him at his house—at his dwelling house.

The CHAIRMAN. When was that?

Mr. GRAVES. Last summer.

The CHAIRMAN. What work did you do for him at his house?

Mr. GRAVES. I built a room downstairs in the basement for the servant girl, and also put screens in the windows of the entire house.

The CHAIRMAN. About how many days were you so employed?

Mr. GRAVES. On the room, I think I was up there about three days, to the best of my knowledge. The work on the screens, of course, was done at different times. I was at work on those screens, I think, very nearly two days.

The CHAIRMAN. While you were doing this work for Mr. Thomson, making the room in his basement, and making the screens, were you on leave of absence?

Mr. GRAVES. When I did one of these jobs I was on leave of absence, but when I did the other one I was not on leave of absence.

Mr. McCoy. Which one of the jobs did you do when you were on leave of absence?

Mr. GRAVES. I do not remember which one it was. I was down there at work and felt like accommodating him, and I simply obeyed orders, just as I would have done under any circumstances.

The CHAIRMAN. You worked for him some, then, when you were drawing pay from the Government?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Where did you get this material with which you constructed the partition or room in the basement of Mr. Thomson's residence?

Mr. GRAVES. I do not know where he got the lumber. He told me he wanted me to do the work and asked me if I could do it, and I

said yes. I do not remember whether it was this job or the other when he asked me if I would not like to take two or three days off and do some work for him. I told him yes; that I would do the work. I do not know where the lumber came from, because it was at the house when I arrived there. That was for the building of the room.

The CHAIRMAN. Do you know of any other employees or laborers in the Post Office Department who performed any work for Mr. Thomson?

Mr. GRAVES. I do, sir.

The CHAIRMAN. Who were they?

Mr. GRAVES. There was Mr. William Byrne.

The CHAIRMAN. What did he do?

Mr. GRAVES. He moved his furniture for him. I think it was when he moved away from the city; his wife was sick at that time and he took all of his furniture away for him, or a part of it, anyway.

The CHAIRMAN. Do you know whether or not he was on a leave of absence at the time?

Mr. GRAVES. I can not tell you that, because I do not know.

The CHAIRMAN. Do you know of any other laborers or employees that worked for Mr. Thomson at his home?

Mr. GRAVES. This gentleman mentioned here on this paper, or the notice I received here this morning, Sherman Wilson, did work for him. I do not think of anyone else.

The CHAIRMAN. Then, you say, Mr. Graves, that you did work for Mr. Thomson at his home either in making the screens or the work in the basement while you were drawing pay from the Government?

Mr. GRAVES. Yes, sir; either in making the screens or building the room. I built the room up there, and also fixed the screens, and on one of the jobs I was on leave of absence to do it. I do not remember which one it was, but it was one of the jobs. I was in the service of the Government when I did it.

Mr. MCCOY. Are you sure about that?

Mr. GRAVES. I came here to give you the truth, and when I took my oath I swore to tell the truth.

Mr. MCCOY. I do not mean to intimate that you are not endeavoring to tell the truth, but I want you to be very positive about it, because if what you state is true it is a rather serious matter.

Mr. GRAVES. I understand that. I know it is a serious matter, and I am sorry that I had to be called on account of it.

Mr. MCCOY. You came under a subpoena?

Mr. GRAVES. Yes, sir.

Mr. MCCOY. Why is it that you can not recollect which job of work you did when you were not on leave?

Mr. GRAVES. Because I will tell you the truth. I do not remember which job I was paid for. I would do the same way with anybody else I was working for. He would say, "Graves, I want you to do so and so," and I said, "All right." I came there to work for that purpose; that is, to obey orders. I did not pay much attention to it, because that is my disposition—to be friendly with everybody—and when it came to a case like that it did not bother me to go up there and do that work. I did not make any record of it.

Mr. MCCOY. How far apart were the times when you did these two pieces of work?

Mr. GRAVES. It might have been two months or three months.

Mr. McCoy. But there was a considerable interval between the times?

Mr. GRAVES. Yes, sir; there was a right smart difference between the times.

Mr. McCoy. How did he pay you when he paid you for one piece of work—by a check?

Mr. GRAVES. No, sir; he took the money out of his pocket and paid me.

Mr. McCoy. Did you give him a receipt?

Mr. GRAVES. No, sir.

Mr. McCoy. When he sent you to do the work did he say that you should do it in Government time? What did he say to you, do you remember?

Mr. GRAVES. Well, when I went to put in the screens I can remember this much about the screens: When he first mentioned about making the screens, he asked me if I could do the work, and I told him I could; and he said: "Joe, I will bring you the measurements down for the windows, and will get the lumber, and you can go up there and fix them." He asked me if I knew how much lumber would be needed, and I told him I did not know the size of the windows, and he said they were all different sizes, and that he would get the measurements. They were all of different sizes. In the meantime, I was down with quinsy sore throat, and I was in the house for a week under the care of Dr. Braden out there. I did not get back to do the work, and he called on Mr. Byrne, and there was something the matter with him so he could not do it, and Mr. Lee could not do it. I think the job was too much for him, and he let it run until I got back. Then he sent me up there to fix the screens.

Mr. McCoy. If you remember all that, can you not recollect whether that was the job you did in the Government's time or not?

Mr. GRAVES. No, sir; I do not, because I was not much longer on one job than the other, and I did not pay much attention to it.

Mr. McCoy. Did he pay you for one job before you commenced the other?

Mr. GRAVES. Yes, sir.

Mr. McCoy. So you were paid for one job before you began on the other?

Mr. GRAVES. Yes, sir.

Mr. McCoy. Which one did you do first?

Mr. GRAVES. I believe I fixed the room first, because, if I am not mistaken, it was along in the spring—that is, probably about May. It must have been in April or May, because it was raining a good deal at the time. I remember that, because I had considerable trouble in getting up there on account of the rain.

Mr. McCoy. Both pieces of work were done at his house?

Mr. GRAVES. Yes, sir.

Mr. McCoy. You made the screens at his house?

Mr. GRAVES. Yes, sir.

Mr. SLEMP. Were you on leave of absence when you were doing this job?

Mr. GRAVES. I was on one of the jobs, but which one it was, I can not tell you to save my life.

Mr. SLEMP. When you were on leave of absence, would you have been getting your pay from the Government?

Mr. GRAVES. Yes, sir.

Mr. SLEMP. And then you would have had the right to accept other employment, would you not? You took a part of your annual leave to do one of these jobs?

Mr. GRAVES. Yes, sir.

Mr. SLEMP. I was trying to find out whether you accepted money from the Government and money from a private individual at the same time?

Mr. GRAVES. Well, it was paid to me, he asked me if I would like to get off a day or so and do something for him, and I told him yes, I would.

Mr. SLEMP. Did you make application for leave of absence on either one of these occasions?

Mr. GRAVES. He sent a blank down, and it was made out and I signed it.

Mr. SLEMP. You could fix it from that; that is, the day when you received pay for the work.

Mr. GRAVES. I could find out from the leave of absence.

Mr. SLEMP. How many days time did you give to these two pieces of work?

Mr. GRAVES. As near as I can fix it, I think it took about two days on the room or a little over two days, and I don't think it took me over a day and a half or two days on the screens.

Mr. SLEMP. What is your salary per month?

Mr. GRAVES. \$60.

Mr. McCoy. Is it not customary in the Post Office Department to make use of the employees to do work for the heads of the departments, or others in the department, on what you might call private jobs, and not jobs for the benefit of the Government?

Mr. GRAVES. No, sir; I can not say that it is a regular custom, but a lot of it is done.

Mr. McCoy. A lot of it is done?

Mr. GRAVES. Yes, sir. This is not from what I know personally, but from what I hear employees say; they have to obey orders.

Mr. McCoy. Give the name of some employees who has stated that he has been detailed to do private work during Government business hours without taking any part of his leave of absence time?

Mr. GRAVES. Well, I can not call the names of any one outside of this man on that paper there. I know that he has done the same thing for Mr. Thomson; that is, little services of that kind just the same as I did for him.

The CHAIRMAN. Did you say during working hours?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. What are your hours in the department?

Mr. GRAVES. From 9 o'clock in the morning until 4.30 o'clock in the afternoon.

The CHAIRMAN. From 9 a. m. to 4.30 p. m., with a half hour for dinner or lunch?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Was any of this work you did for Mr. Thomson done before 9 o'clock in the morning, or during the lunch hour, or after 4.30 in the afternoon?

Mr. GRAVES. This work I did for him was done in the day, during the working hours. It was done between 9 o'clock in the morning and 4.30 in the afternoon. Now, let me be a little technical about that; I was at his house earlier than I would have been at my regular work.

The CHAIRMAN. Well, it was done between 9 o'clock in the morning and 4.30 in the afternoon, or, at least, a part of it?

Mr. GRAVES. A portion of it came between 9 o'clock in the morning and 4.30 in the afternoon, although I was earlier at his house and later in getting away from his house than I would have been in going to and coming from the department.

The CHAIRMAN. You worked longer hours for him than you were required to work in the department?

Mr. GRAVES. I did it; but I was not compelled to do so.

The CHAIRMAN. Do you have any personal knowledge of work of that kind, or any other private work, being done between the hours of 9 o'clock a. m. and 4.30 p. m. by Government employees who are not on leave of absence, or who are not taking a part of their 30 days off? Have you personal knowledge of any such cases?

Mr. GRAVES. I do not know of anyone directly outside of this man here on this piece of paper.

The CHAIRMAN. Outside of Wilson, who is one of the people named on this subpoena?

Mr. GRAVES. Yes, sir; and whether he was on leave of absence at all times, I can not swear to that. I would not swear to it, but I know he did service of that kind for him, because very often he would come in and say that he had to do some work for Mr. Thomson. He would help to make things around the house. I was there and helped him to move his furniture from one house to another; it was away up Fourteenth Street there; he moved from one dwelling to another.

The CHAIRMAN. You say you helped to move his furniture from one place to another?

Mr. GRAVES. Yes, sir; some portion of it.

The CHAIRMAN. Who told you to do that work?

Mr. GRAVES. I got the order from Mr. Thomson.

The CHAIRMAN. Did you do that work between 9 o'clock in the morning and 4.30 in the afternoon?

Mr. GRAVES. Yes, sir; a portion of it.

The CHAIRMAN. And were you, during any of that time while you were moving his goods, on leave of absence?

Mr. GRAVES. No, sir; I do not think I was on leave of absence then.

Mr. SLEMP. How can you remember when you did that moving?

Mr. GRAVES. I do not remember exactly, but it was in warm weather—it was in summer.

Mr. SLEMP. Was it last summer or the summer before?

Mr. GRAVES. It was last summer, because he went away from here then. He lost his wife, and moved a short while before that.

Mr. SLEMP. What arrangement was made down there when you were absent on a job like that?

Mr. GRAVES. The only arrangement I know of was making application for leave of absence and obeying his orders; that is all.

Mr. SLEMP. I understood you to say that you did not get a leave of absence?

Mr. GRAVES. I said it was only for my getting away from the building and obeying his orders and doing anything he told me to do. If he asked me if I wanted to get off on a leave of absence I did it. I remember in one case he asked me to go up and do a piece of work for him, and I told him I would.

Mr. SLEMP. Did you consider yourself under leave of absence from the time you went away from the building?

Mr. GRAVES. No, sir; I did not; because I never considered myself on leave of absence unless I made out the blank.

Mr. SLEMP. You considered yourself as working under Mr. Thomson's orders?

Mr. GRAVES. Yes, sir.

Mr. SLEMP. Did he give you these directions in the form of an order, suggestion, request, or how?

Mr. GRAVES. He would send for me to come to his office, and when I would come in he would say, "Graves, I want you to do so and so," and I would say, "All right." Then I would find out what it was he wanted done, and go on and do it.

Mr. REDFIELD. Have you ever had any difficulty with Mr. Thomson?

Mr. GRAVES. No, sir.

Mr. REDFIELD. Has he ever had any occasion to criticize your work?

Mr. GRAVES. Not that I know of.

Mr. REDFIELD. Were you ever reported to any superior officer for any neglect of duty?

Mr. GRAVES. No, sir; I never gave him any cause for that.

Mr. REDFIELD. Your record in the department is a clean one?

Mr. GRAVES. So far as I know; I have always tried to do my work.

Mr. REDFIELD. We are simply trying to get at the entire facts in the situation. Now, after thinking the matter over, in the light of the questions that the chairman and the other members of the committee have asked you, am I right if I understand your testimony to be substantially as follows: That you, at Mr. Thomson's order, went to his house on two separate occasions, some time apart; that on one of these occasions you had a leave of absence as a part of your annual leave, and were paid by Mr. Thomson for what you there did?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. But that, on the other occasion, you had no leave of absence, and were working on the Government's pay at his house?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. That is what you wish the committee to understand?

Mr. GRAVES. Yes, sir; that is the fact, and I stand by it, and I am not doing it from any hostility toward Mr. Thomson.

Mr. McCoy. So far as that is concerned, you were subpoenaed here?

Mr. GRAVES. Yes, sir.

Mr. SLEMP. Did this occur last summer a year ago?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. You are excused, Mr. Graves.

Mr. GRAVES. I also wish to state that I am here for the purpose of speaking the truth, and I am a man who has nerve enough to

stand up for the truth, and I know that I have a lot to lose. I have a wife, four children, and a mother to take care of on \$60 per month. I have had a lot of promises made to me, but I never got anything but a pat on the shoulder.

Mr. SLEMP. I would like to know what you mean by that—by the promises that have been made you?

Mr. GRAVES. Well, my record will show. I was down talking to the Fourth Assistant Postmaster General about it some time ago, because it bears down pretty hard on us there. There are only four of us, and we pack all of the supplies for the post offices of the United States and the other possessions. There are only four of us.

Mr. SLEMP. You feel that you are not getting enough for your work?

Mr. GRAVES. My superintendent has often told me that I ought to get more, but I have never gotten anything but a pat on my shoulder. I go to work sometimes at 5 o'clock in the morning, and frequently continue my work until 9 o'clock at night.

Mr. McCoy. Is your position under the civil service?

Mr. GRAVES. I was put under the civil service when it was first started, as I understand.

Mr. REDFIELD. You say you have worked overtime on various occasions?

Mr. GRAVES. Yes, sir; and very often on Sundays.

Mr. REDFIELD. Have you received any extra compensation for that?

Mr. GRAVES. No, sir.

Mr. REDFIELD. Have you received any allowance for meals when you worked overtime, or have you had meals furnished you?

Mr. GRAVES. No, sir.

Mr. REDFIELD. Neither?

Mr. GRAVES. No, sir.

Mr. REDFIELD. Does your work require you to be a skilled carpenter?

Mr. GRAVES. No, sir; but it requires me to obey orders and do this carpenter work when it comes in.

Mr. REDFIELD. Do you make packing cases?

Mr. GRAVES. Yes, sir; I put them together.

Mr. REDFIELD. They come to you in sections and you assemble them?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. That is, they come to you with the ends and sides fitted, and you assemble them?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. And you assemble, align, pack, nail the cover on, mark, strap, and ship the cases, is that it?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. And for that work you receive \$60 per month?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. There is no allowance made for overtime?

Mr. GRAVES. No, sir.

Mr. REDFIELD. And you have, after that, to be responsible for the careful packing and for the quantities and the nature of the goods which go into the cases?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Do you know a laborer in the Post Office Department known as Henderson Butler?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Do you know a laborer in the Post Office Department known as David Powell?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And W. H. Hamilton?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And W. H. Byrne?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And George Landick?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And Thomas D. Crow?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And Edward Walker?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And Jacob Venderson?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And all are employees or laborers in the Post Office Department?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. How long have you been employed there?

Mr. GRAVES. I have been in the Post Office Department for at least 20 years anyhow.

Mr. REDFIELD. How long have you been doing this kind of work?

Mr. GRAVES. If you will let me, I will explain it. This work has been done in two different ways for the last 20 or 25 years, I guess. Before I commenced packing the supplies myself, about four years ago, under Mr. Cobert, they changed the way of handling the mail. All of this stuff used to go by mail; that is, the supplies were all shipped by mail. But now, a portion of it only goes by mail, but there is a very small quantity of it that goes by mail. The greater part of it goes by freight. When they changed that way of handling the stuff, Mr. Cobert made me the head packer in that work.

Mr. REDFIELD. When you ship these supplies by freight, do you use heavier cases?

Mr. GRAVES. Yes, sir.

Mr. REDFIELD. And are these cases strapped?

Mr. GRAVES. Yes, sir; we strap the old cases.

Mr. REDFIELD. They are now strapped?

Mr. GRAVES. Yes, sir; the old ones.

Mr. REDFIELD. So you are now making these freight shipments in heavier cases, and you have the additional operation of strapping the cases?

Mr. GRAVES. We do not have much strapping as a regular thing, because we do not use the old ones, but as a general thing we will not take any chances in the handling of the old cases.

Mr. REDFIELD. You are the boss packer?

Mr. GRAVES. Yes, sir; I am the head packer, and there are three packers to help me.

Mr. SLEMP. Do you all get the same salary?

Mr. GRAVES. The other three men get \$55 per month.

(Thereupon, at 5.30 o'clock p. m., the committee adjourned.)

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 14, 1911.

HON. WILLIAM A. ASHBROOK,
Chairman Committee on Expenditures
in the Post Office Department, House of Representatives.

MY DEAR MR. ASHBROOK: In compliance with the request you made of the Superintendent Division of Rural Mails, during the recent hearings before your committee, I inclose herewith a statement showing the number of proposed rural-delivery routes on which adverse action has been taken by reason of the extension of star-route service, with the approximate cost of the proposed rural service, and the number of star routes superseded by Rural Delivery Service, with the cost of such star service, during the current fiscal year. You will note that 230 star routes have been superseded by Rural Delivery Service and only 36 rural-delivery routes by star-route service.

I also inclose a statement showing by classes the number of rural carriers in the service and the cost of each class of service, with the average salary per carrier.

Yours, very truly,

FRANK H. HITCHCOCK.

Statement showing number of proposed rural-delivery routes on which adverse action has been taken by reason of the extension of star-route service with the approximate cost of the proposed rural service, and the number of star routes superseded by Rural Delivery Service and cost of such star service, during the current fiscal year.

States.	Proposed rural routes superseded by extension of star service.		Number of star routes superseded by Rural Delivery Service.	
	Number of routes.	Annual cost of service.	Number of routes.	Annual rate of pay.
Alabama.....	1	\$900.00	6	\$1,468.39
Arkansas.....	5	4,068.00	4	1,416.14
California.....	2	1,404.00	1	162.00
Colorado.....	1	900.00	1	134.68
Connecticut.....			3	1,507.64
Florida.....			2	1,263.35
Georgia.....			4	2,200.10
Idaho.....	1	900.00		
Illinois.....			7	1,846.60
Indiana.....			7	2,391.44
Iowa.....			3	1,038.00
Kansas.....			1	275.00
Kentucky.....			10	3,326.15
Louisiana.....	1	900.00	3	959.38
Maine.....			2	841.00
Maryland.....			1	355.00
Michigan.....	1	900.00	14	5,927.83
Minnesota.....	1	900.00	9	4,230.13
Mississippi.....	8	6,570.00	17	5,706.09
Missouri.....	1	900.00	18	6,512.12
Nebraska.....			1	375.00
New Hampshire.....			1	200.00
New Jersey.....			4	955.49
New York.....	1	900.00	4	1,199.00
North Carolina.....	2	1,800.00	6	1,154.20
North Dakota.....	1	504.00	3	1,480.68
Ohio.....			26	10,905.23
Oklahoma.....	1	900.00	10	5,259.92
Oregon.....	1	810.00	1	413.95
Pennsylvania.....			24	8,631.78
South Carolina.....			4	1,074.90
South Dakota.....	1	900.00	1	1,720.36
Tennessee.....	1	900.00	6	2,122.90
Texas.....	1	900.00	3	2,280.78
Vermont.....			2	995.00
Virginia.....	2	1,710.00	15	5,203.79
Washington.....	1	810.00	1	423.63
West Virginia.....	1	630.00	2	1,076.00
Wisconsin.....	1	900.00	1	726.23
Wyoming.....			2	1,625.00
Total.....	36	30,006.00	230	89,384.38

Cost of Rural Delivery Service June 1, 1911 (regular carriers).

Distances.	Carriers.	Salary.	Cost.
4 to 5 miles.....	2	\$30.0	\$720
6 to 7 miles.....	11	396	4,356
8 to 9 miles.....	73	432	31,536
10 to 11 miles.....	182	468	85,176
12 to 13 miles.....	257	501	129,528
14 to 15 miles.....	353	530	190,620
16 to 17 miles.....	555	630	349,650
18 to 19 miles.....	1,174	720	845,280
20 to 21 miles.....	3,231	810	2,617,110
22 to 23 miles.....	6,785	864	5,862,240
24 miles and over.....	28,941	900	26,046,900
Total.....	41,564	.....	36,163,116

Average salary per carrier. \$870.06.

**COMMITTEE ON EXPENDITURES IN
THE POST OFFICE DEPARTMENT.**

HOUSE OF REPRESENTATIVES,
Thursday, June 15, 1911.

The committee met at 10 o'clock a. m.

Present: Representatives Ashbrook (chairman), Alexander, Redfield, McCoy, Austin, Slemph, and Towner.

TESTIMONY OF THOMAS W. BYRNE.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your name in full, and your address.

Mr. BYRNE. Thomas William Byrne, 1478 Monroe Street.

The CHAIRMAN. Are you employed in the Post Office Department?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. In what capacity?

Mr. BYRNE. Carpenter.

The CHAIRMAN. How long have you been so employed?

Mr. BYRNE. Since August 11, 1893.

The CHAIRMAN. You will state whether or not you ever performed any service for Mr. G. G. Thomson.

Mr. BYRNE. You mean outside of the office?

The CHAIRMAN. Outside of the department, and during working hours?

Mr. BYRNE. Yes, sir; I have.

The CHAIRMAN. When?

Mr. BYRNE. It would be kind of hard to remember the dates, but I know about what time—about the last of September, last year; either the latter part of September or the first of October.

The CHAIRMAN. What did you do?

Mr. BYRNE. I crated a lot of furniture for him.

The CHAIRMAN. Is that all the work you ever did for Mr. Thomson?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Where did you get the lumber to make the crating?

Mr. BYRNE. It was sent up to the house there—old boxes and things sent up there from the building there.

The CHAIRMAN. From the Post Office Department?

Mr. BYRNE. Yes, sir; from the Supply Division.

The CHAIRMAN. It was all boxes, was it?

Mr. BYRNE. All we used up there; yes, sir.

The CHAIRMAN. Did you use any good lumber any place else?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Where?

Mr. BYRNE. Down at the division there. When we finished crating it up we had some things we could not crate with old boxes; it was not long enough, and we had to use some other boards for longer lengths in crating the beds and things of that kind.

The CHAIRMAN. You used some good lumber, then, at the Post Office Department for finishing the crating?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Do you know whether or not this lumber was accounted for to the department by Mr. Thomson?

Mr. BYRNE. I could not tell you anything about that; I do not know.

The CHAIRMAN. How long were you engaged in doing this crating work for Mr. Thomson?

Mr. BYRNE. I should say about four or five days; I do not know how long altogether, up to the house and down at the office; I could not say for certain.

The CHAIRMAN. When you did this work were you on leave of absence?

Mr. BYRNE. No, sir.

The CHAIRMAN. You were working for the Government?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Drawing pay from the Government?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. And you say, then, you performed four or five days' work for Mr. Thomson in crating his household goods, and while so engaged you were not on leave of absence?

Mr. BYRNE. No, sir.

The CHAIRMAN. And were drawing pay from the Government?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. State at whose orders you went up to Mr. Thomson's house.

Mr. BYRNE. Mr. Thomson sent me up himself.

The CHAIRMAN. Do you know whether or not that is the practice in the Post Office Department?

Mr. BYRNE. I could not say, for that, only I know of that one instance; that is all I know of. That is the first time I had ever been called on to perform such duties, and it is the only case I know of. This is the one instance.

The CHAIRMAN. Have you any idea how much good lumber you used in crating these goods for Mr. Thomson?

Mr. BYRNE. No, sir. We did not use a great deal, though. I could not say for sure, but not a great deal.

The CHAIRMAN. About how many hundred feet?

Mr. BYRNE. I should think we used probably eight or ten 16-foot boards, 1 by 12, 16 feet long.

Mr. ALEXANDER. How many?

Mr. BYRNE. Eight or ten, maybe twelve; somewhere in that neighborhood.

Mr. ALEXANDER. One by twelve, 16 feet long?

Mr. BYRNE. Yes, sir. I should say 8, probably. I do not think there were over 10, because we did not use a great deal of it.

The CHAIRMAN. Did any other Post Office employees assist in that work?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Who were they?

Mr. BYRNE. There was Wilson and Powell.

The CHAIRMAN. What is Mr. Wilson's given name?

Mr. BYRNE. Sherman.

The CHAIRMAN. Who else?

Mr. BYRNE. David Powell. That was all that was up to the house.

The CHAIRMAN. What did they do?

Mr. BYRNE. They helped to pack the stuff and helped to crate what we crated up to the house.

The CHAIRMAN. And about how long were they so engaged?

Mr. BYRNE. I do not know how long Wilson was up there. He was up there before we went; but Powell was there the two days that I was at the house.

Mr. ALEXANDER. You say Wilson was there when you went; he had been employed before that?

Mr. BYRNE. Yes, sir.

Mr. ALEXANDER. You do not know how long?

Mr. BYRNE. I do not know how long; no, sir.

Mr. ALEXANDER. And he was still working there when you got through?

Mr. BYRNE. No; they moved out; that day they moved the stuff out.

Mr. ALEXANDER. How long did Mr. Powell work there?

Mr. BYRNE. Two days.

Mr. ALEXANDER. Just the same time you did?

Mr. BYRNE. Yes; that is my recollection of it. It may be different from that, but I know he was there the two days I was there, but I do not think he was there more than that, because he works in the same room I do at the department and I do not think he was out there only those two days, the same that I was.

Mr. ALEXANDER. Did you help take the furniture from the house to the car?

Mr. BYRNE. No, sir. I was in the hospital at the time that was done. I was sent to the hospital on the 17th day of October, and I was away when the furniture was shipped; I do not know anything about that.

Mr. ALEXANDER. You spoke about the work at the house. Was there any other work done for Mr. Thomson by you or these other men, to your knowledge?

Mr. BYRNE. No, sir.

Mr. ALEXANDER. Have you stated now in your testimony all that you know about any work having been done for Mr. Thomson during office hours and while you were in Government pay by yourself or any others?

Mr. BYRNE. Yes, sir.

Mr. ALEXANDER. I believe you say you have no knowledge of any other employees of the Government—

Mr. BYRNE. I have named the only ones I know anything of.

Mr. ALEXANDER. I say you do not know of any other employees in any other departments doing like work for chiefs or officers of the Government?

Mr. BYRNE. No, sir.

Mr. ALEXANDER. Are you in Government employ now?

Mr. BYRNE. Yes, sir.

Mr. ALEXANDER. In what capacity did you say?

Mr. BYRNE. Carpenter.

Mr. ALEXANDER. What are your duties?

Mr. BYRNE. They are kind of miscellaneous; a little bit of everything. I am a carpenter and help to fill the requisitions. When the clerk in charge of the room is away I am acting foreman of the room. I have a kind of variety of duties.

Mr. ALEXANDER. The Thomson to whom you refer is the present superintendent of rural delivery?

Mr. BYRNE. Yes, sir.

Mr. ALEXANDER. What salary do you get?

Mr. BYRNE. A thousand dollars.

Mr. ALEXANDER. A year?

Mr. BYRNE. Yes, sir.

The CHAIRMAN. Mr. Byrne, do you know whether or not Mr. Thomson had knowledge of the fact that you performed these services?

Mr. BYRNE. He ordered me up there—up to his house.

The CHAIRMAN. Did he pay you for it?

Mr. BYRNE. No, sir.

The CHAIRMAN. You received no extra compensation from anyone for this service?

Mr. BYRNE. No, sir.

The CHAIRMAN. Do you know whether these other post-office employees received any pay for their services?

Mr. BYRNE. I do not think they did. I think I would have heard it if they had; I do not think so, though.

Mr. ALEXANDER. They performed that service, as I understand, during office hours and while they were in Government pay?

Mr. BYRNE. While I was there; yes.

Mr. SLEMP. Was Mr. Thomson your immediate superior?

Mr. BYRNE. He was superintendent of the supply division; yes, sir.

Mr. SLEMP. Did you usually take directions from him direct or from some one else?

Mr. BYRNE. I did in this case direct; he sent for me up in the office; the instructions usually come from the foreman of the room, but in this case he sent for me upstairs and told me what he wanted done.

The CHAIRMAN. Did you have any conversation with any superior officer in the Post Office Department since you received the subpoena to appear before this committee regarding the evidence you might give?

Mr. BYRNE. No, sir; except Mr. Weed sent for me yesterday to come over there and straighten this out. I did not have any conversation with him. But he sent for me to come over and get this; the initials were wrong, and they seemed to have some doubt as to who it was really for. That was the only thing. I have never had any other conversation at all.

Mr. TOWNER. Mr. Byrne, when was that—what was the date?

Mr. BYRNE. That is kind of hard for me to answer, but I think it was the two last days in September, as well as I remember, last year. It was some two or three weeks before I went to the hospital.

Mr. TOWNER. Probably about the last of September in the year 1910?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. You say that your duties are usually about the Post Office Building, are they?

Mr. BYRNE. Yes, sir; always in the Supply Division, and have been ever since I have been there.

Mr. TOWNER. I suppose you have something in the nature of carpenter shops, have you not, down there?

Mr. BYRNE. No, sir; not exactly; but we just do the work there. We have not any shop, but, you know, we do a great deal of shipping and have a great many of the crates to make and boxes to make.

Mr. TOWNER. At least you have a place where you do this work?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Are you required to go out in other places to do work for the Government?

Mr. BYRNE. No, sir; I never have been.

Mr. TOWNER. This was the first time you had ever been sent out of the building for the purpose of doing work, was it?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. As I remember it, you said that you were engaged in this work some four or five days?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. And then afterwards, as I remember it, you said that you were up to his house—Mr. Thomson's house—for two days?

Mr. BYRNE. Two days.

Mr. TOWNER. What do you mean by that?

Mr. BYRNE. We went up there and fixed up what we could with what stuff we had up there. We did not have anything long enough, as I stated, to finish up a good many things, and they sent it down to the building there and stored it, and it was finished up there.

Mr. ALEXANDER. What building?

Mr. BYRNE. The Union Storage, where the Supply Division is located; the Union Trust, or Storage.

Mr. TOWNER. What do you mean now? Did you do four or five days for Mr. Thomson, as you said at one time, or did you do two days' work, as you said at another time?

Mr. BYRNE. I did two days' work at the house, as well as I remember, and about two days at the office; I could not say just how many now.

Mr. TOWNER. What did you do at the office for Mr. Thomson?

Mr. BYRNE. Finished crating the things that we could not at the house.

Mr. TOWNER. Did you mean by that that you took the furniture down there and crated it?

Mr. BYRNE. He had it sent down there.

Mr. TOWNER. Certainly; he had it sent there?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Then, do you mean to say that for part of the time you went to his house and worked two days crating his own private re?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. And then that he had part of it sent down to the Post Office Department, where you do work, and that you there assisted, together with others, in the crating of his private furniture?

Mr. BYRNE. No; I finished it up by myself.

Mr. TOWNER. Very well; but you finished crating his private furniture?

Mr. BYRNE. Yes.

Mr. TOWNER. For what purpose was that furniture crated?

Mr. BYRNE. It was shipped to Austin, Tex., I think, where he was located.

Mr. TOWNER. You knew that this was his private furniture?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. You knew it was intended to be shipped for his private use?

Mr. BYRNE. That is what I understood; yes, sir.

Mr. TOWNER. You knew that it was not in any way connected with the Government work or service?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. I believe you, yourself, are under oath, are you not?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. As a Government officer?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Why did you do this work for him which you knew was not Government work?

Mr. BYRNE. He ordered me to do it.

Mr. TOWNER. I know; but you knew you were doing wrong in doing it, did you not, Mr. Byrne?

Mr. BYRNE. I do not know that I did. I have to obey my superior.

Mr. TOWNER. Obey your superior in doing anything except Government work?

Mr. BYRNE. That has always been the custom; every one else does it.

Mr. TOWNER. You say every one else does it, but a little while ago you said this was the first instance that had ever come to your knowledge of anything of that kind being done. How do you account for that?

Mr. BYRNE. I think most anybody in my position would do the same thing, where your bread and butter depends on it.

Mr. TOWNER. Mr. Byrne, we want to know exactly the truth about this matter.

Mr. ALEXANDER. Have you any evidence that he is not telling the truth?

Mr. TOWNER. Certainly not.

Mr. ALEXANDER. Then do not try to cast an aspersion on him.

Mr. TOWNER. I shall conduct this examination in my own way.

Mr. ALEXANDER. You ought to do it fairly.

Mr. TOWNER. I intend to be fair; but I want to know just exactly what was the reason he did it.

Mr. ALEXANDER. He is answering you very frankly.

Mr. TOWNER. Now, Mr. Byrne, what I want to know is this: Did you do this work for Mr. Thomson because you were afraid of losing your position if you did not do it?

Mr. BYRNE. I do not know that I would have lost my position; but it certainly would not have done me any good if I had not done it. Policy—

Mr. TOWNER. Let us know just exactly what the situation was.

Mr. BYRNE. I have told you as frankly as I could.

Mr. TOWNER. You did this work for him?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Knowing that it was not Government work, but for his own private use?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Because you were afraid that if you did not do it you would lose your position?

Mr. BYRNE. I would not like to say that, exactly. I would not like to say that I was afraid I would lose my position, because I do not think I would have done that. I do not think they would have fired me, probably.

Mr. TOWNER. Were these other employees, Mr. Wilson and Mr. Powell, under your direction or control?

Mr. BYRNE. They were up to the house when we went up there; yes, sir; on the furniture. He sent me up there to take charge of it—that is, not Wilson; Powell was. Wilson was doing the packing.

Mr. TOWNER. Did you order these men to go and do this work?

Mr. BYRNE. No, sir; I did not.

Mr. TOWNER. They went, then, by direction, so far as you know, of Mr. Thomson, or some one else?

Mr. BYRNE. I suppose so; I do not know. They were there; that is all I know about it.

Mr. TOWNER. This new lumber that you used, Mr. Byrne, from the department, was property that you knew was the Government's property?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. Did Mr. Thomson direct you to use this Government property for his private use?

Mr. BYRNE. No, sir. Mr. Thomson was away when that was used, and, as well as I remember, Mr. Dolan sent the lumber there to be used.

Mr. TOWNER. And who is Mr. Dolan, please?

Mr. BYRNE. He is now the acting assistant superintendent. He has never been appointed, but he is acting assistant superintendent.

The CHAIRMAN. Of what?

Mr. BYRNE. Of the Supply Division.

Mr. TOWNER. So far as you knew, Mr. Dolan had no authority to direct that the Government's property should be used for Mr. Thomson's private benefit?

Mr. BYRNE. I do not know anything about that. I only did as I was told. He got it. He was away at the time. I would not say Mr. Dolan got it, but he told me to use it, and I told him I did not have anything long enough to crate those things with.

Mr. TOWNER. That is all.

Mr. AUSTIN. Was Mr. Thomson moving to Texas at that time?

Mr. BYRNE. No, sir. He was appointed post-office inspector at Austin, Tex. I think it was some time in October that he moved.

Mr. REDFIELD. I did not hear the first part of your examination, but one of your answers arrested my attention. It was to the effect

that this working for private parties in Government time had always been the custom, that "every one else does it."

Mr. BYRNE. As far as I know.

Mr. REDFIELD. Pardon me; I have not quite finished.

Mr. BYRNE. Excuse me.

Mr. REDFIELD. I wish you would be kind enough to tell the committee, just as fully and frankly as you can, in your own way, what that custom is. Tell us so that we may know what the custom is among the men there.

Mr. BYRNE. I have never been in a position to know very much about it, except in this one instance, and there were three or four of us ordered to do this work; at least, I suppose they were. I know I was, and we went up and did it.

Mr. REDFIELD. Is that all?

Mr. BYRNE. Yes, sir.

Mr. REDFIELD. Do you regard that as justifying quite the remark that it had always been the custom?

Mr. BYRNE. I did not exactly mean to say that it was always the custom. I meant it came in this case, and probably one or two other cases that have come up. I do not recall now any specific instance, you know, but it is just kind of one of those things you kind of get used to as you go along. I could not recall any specific instance.

Mr. REDFIELD. Understand, I am not in any way trying to embarrass you at all, but simply trying to get at the facts as they exist. What did the men say about this among themselves?

Mr. BYRNE. There was not very much said about it. It is one of those things that we do not like to talk very much about.

Mr. REDFIELD. Do you mean to give the committee to understand that you and the other men accepted this as a matter of course?

Mr. BYRNE. Yes, sir; coming from our superior we did.

Mr. REDFIELD. That you regarded it as the usual thing?

Mr. BYRNE. Yes, sir; when the superintendent gave us orders to do that, as near as we could.

Mr. REDFIELD. Can you not tell the committee about this just as you would describe it at home to some friend in your house?

Mr. BYRNE. I have tried to do that as near as possible; I have tried to tell them. You did not hear the first of it. I told them that Mr. Thomson called me up in the office——

Mr. REDFIELD. I do not refer so much to this particular case; but to what goes on among the men there as regards this sort of thing.

Mr. BYRNE. Of course, there is always more or less talk about those things. You hear things there. But, then, I am only giving you what I know.

Mr. REDFIELD. I am asking you the things you hear.

Mr. BYRNE. It would be kind of hard to tell right now, unless there was something to bring it up to my mind; any specific instance, you know.

Mr. REDFIELD. Now, Mr. Byrne, you have been employed in shops, have you not?

Mr. BYRNE. Yes, sir.

Mr. REDFIELD. You know that in every shop there are undercurrents among the men; the men talk about things among themselves; there are always undercurrents in every large industry. What are the undercurrents in this case?

Mr. BYRNE. I guess I get less of that than most people on account of having been in charge, you know, the second man in charge. I probably get less of it than most anybody else.

Mr. REDFIELD. And yet it was your impression, from your experience in the department, that the situation is accurately described when you say it has always been the custom, and everybody else does it?

Mr. BYRNE. It is just kind of understood that way.

Mr. SLEMP. If I understand, what you meant is that you would simply obey the orders of your superior officer?

Mr. BYRNE. Yes, sir.

Mr. AUSTIN. You do not mean to say it is the general custom in the Post Office Department; that is the only instance you know of?

Mr. BYRNE. We have always been in a rented building outside, to ourselves.

Mr. AUSTIN. That is the only instance you know of?

Mr. BYRNE. I could not say anything about the department, because I have never been there.

Mr. AUSTIN. But you know of only one instance?

Mr. BYRNE. Yes, sir.

Mr. AUSTIN. How long have you been connected with the Post Office Department?

Mr. BYRNE. Eighteen years.

Mr. TOWNER. As you said in your examination, in answer to Mr. Ashbrook's question, this was the first time you had ever been called on to do work of this kind, and it is the only instance that you knew of of this sort; that is true, is it?

Mr. BYRNE. Yes, sir.

Mr. REDFIELD. Mr. Byrne, I want to just return to this. Is it or is it not the fact that it was well known among the men, to your knowledge, that they were more or less frequently called upon to do work for their superiors?

Mr. BYRNE. That has been the understanding; yes, sir.

Mr. SLEMP. How many men have you under your charge?

Mr. BYRNE. I should say 15 or 20, somewhere along there.

Mr. SLEMP. Have you ever given orders to any of these men to do outside work at any time?

Mr. BYRNE. It never happened when I was in charge. I was never called upon to send anybody, and I do not know really that anyone—I guess, probably, when it was done, it was done the same way; probably they were sent for to the office and told what they wanted.

The CHAIRMAN. Mr. Thomson sent for you to come to his office in the Post Office Department?

Mr. BYRNE. Yes, sir. His office is in the same building.

The CHAIRMAN. And he then told you that he wanted you to go to his house and crate his household goods?

Mr. BYRNE. Yes, sir.

Mr. TOWNER. I understood you to say, Mr. Byrne, in answer to Mr. Redfield's question, that it was an understanding—you used the word "understanding"—that this was done frequently, or something to that effect. Did I correctly understand you?

Mr. BYRNE. No; I do not think you did. What I meant was, that ~~it was~~ the understanding that we were to obey orders when they

came. If they told us to do anything like that, we did it. That is what I meant to convey.

Mr. TOWNER. Will you please tell the committee how you derived that understanding?

Mr. BYRNE. I do not know that I could.

Mr. TOWNER. Did anybody ever tell you that that was the case?

Mr. BYRNE. No, sir.

Mr. TOWNER. That is all.

Mr. ALEXANDER. Do you mean to say that it was the understanding generally among the employees that if they wanted to hold their jobs they had better respond when they were called upon?

Mr. BYRNE. It is better policy, at least, to do as you are ordered to do; that is the general feeling.

Mr. SLEMP. I would rather interpret your remarks along the line that, in the discharge of your duties, you felt it incumbent upon you to carry out the orders of your superior officer?

Mr. BYRNE. Yes, sir.

Mr. AUSTIN. Can you give us the names of any other employees who had that understanding, that they were to do outside work when called upon?

Mr. BYRNE. No, sir; I can not give you the names of any of them, because they might understand differently from me. You know that is just my own private opinion formed.

(The witness was excused.)

TESTIMONY OF DAVID J. POWELL (Colored).

The CHAIRMAN. State your name in full and your city residence.

Mr. POWELL. David J. Powell; 1642 Tenth Street NW.

The CHAIRMAN. Mr. Powell, are you employed in the Post Office Department?

Mr. POWELL. Yes, sir.

The CHAIRMAN. In what capacity are you now working?

Mr. POWELL. As laborer, or packer; packing stationery, and all such things as that.

The CHAIRMAN. How long have you been so employed?

Mr. POWELL. Ever since I have been in the department, pretty much, sir.

The CHAIRMAN. How long have you been in the department?

Mr. POWELL. I went in in June, 1900—the 9th of June.

The CHAIRMAN. Did you ever do any work for Mr. G. G. Thomson during working hours, outside of the Post Office Department, in a private capacity?

Mr. POWELL. I were called—I was sent to Mr. Thomson's house to do work twice.

The CHAIRMAN. When?

Mr. POWELL. I think it was last Septembr; I do not remember the month.

The CHAIRMAN. Who sent you there?

Mr. POWELL. I were told at the office that Mr. Thomson wanted me to come to his office.

The CHAIRMAN. Who told you?

Mr. POWELL. I have forgotten whether it was Mr. McAllister, or who. I did not pay very much attention. Some of the men came

and said, "Powell, you go up to Mr. Thomson's house in the morning."

The CHAIRMAN. And what did you do at Mr. Thomson's house?

Mr. POWELL. I helped to pack up furniture, and the likes of that.

The CHAIRMAN. How long were you so employed at Mr. Thomson's house?

Mr. POWELL. A day and a half.

The CHAIRMAN. Was that the only instance?

Mr. POWELL. Yes, sir; that is the only time I did any work for Mr. Thomson.

The CHAIRMAN. Were you on leave of absence when you did that work?

Mr. POWELL. No, sir.

The CHAIRMAN. Were you drawing pay from the Government when you did that work for Mr. Thomson?

Mr. POWELL. Yes, sir; I was filling my regular place in the service when I got the order to go up there.

The CHAIRMAN. Your pay was going on?

Mr. POWELL. Yes, sir.

The CHAIRMAN. Do you know of any other employees in the Post Office Department who performed any private service for Mr. Thomson?

Mr. POWELL. I know of two men; but I do not know whether they were working for Mr. Thomson in their off time, or whether they were sent from the department. I can not tell that.

The CHAIRMAN. Were there any other employees from the Post Office working at Mr. Thomson's house when you were working there?

Mr. POWELL. Yes, sir.

The CHAIRMAN. Who were they?

Mr. POWELL. Wilson——

The CHAIRMAN. What Wilson?

Mr. POWELL. I do not know his first name. He is at Mr. Thomson's office working now, a tall, brown-skinned fellow.

The CHAIRMAN. And who else?

Mr. POWELL. Mr. Byrne.

The CHAIRMAN. Mr. Byrne; what is his name and what was he doing?

Mr. POWELL. Will Byrne, I think is his name.

The CHAIRMAN. Was he the witness who just left this office?

Mr. POWELL. Yes, sir.

The CHAIRMAN. Was there anyone else there working beside Mr. Wilson and Mr. Byrne?

Mr. POWELL. No, sir.

The CHAIRMAN. And that is the only instance in which you performed work for Mr. Thomson?

Mr. POWELL. Yes, sir.

The CHAIRMAN. Did you ever work for any other chief or post-office official in a private capacity since you have been employed in the Post Office Department?

Mr. POWELL. I did some little work for the assistant superintendent there, Mr. Bradley; but that I did mostly in my off time. When I would go off in the evening he would ask me to go by his house.

The CHAIRMAN. Did Mr. Thomson or anyone else pay you for your services while you were engaged in work at his house?

Mr. POWELL. I never got a cent for anything I did outside.

The CHAIRMAN. You say you did some work for some other post-office official when you were not engaged in working at the Post Office Department, in off hours. Did you get any pay for that?

Mr. POWELL. No, sir. It was just such a short time. He just asked me to go by and make a fire, time after time, about 10 or 15 minutes in the evening, when I would go off from work, or something like that.

Mr. ALEXANDER. Who was it you said you worked for besides Mr. Thomson?

Mr. POWELL. Mr. Bradley, the assistant superintendent.

Mr. ALEXANDER. Of what?

Mr. POWELL. Of the Supply Division.

Mr. ALEXANDER. When was that?

Mr. POWELL. That was along during last year, a portion of last year and a part of year before last; just once in a while.

Mr. ALEXANDER. How often did you do work for him?

Mr. POWELL. Not often.

Mr. ALEXANDER. About how often?

Mr. POWELL. I suppose about once in every two or three weeks, and sometimes longer than that, he would call on me to go.

Mr. ALEXANDER. What did you do?

Mr. POWELL. Just go to his house and make the fire in the furnace, and in warm weather he asked me to go by his house and dig a little space up against the wall in the yard and plant some flower seed.

Mr. ALEXANDER. Did you ever do any part of that work during business hours?

Mr. POWELL. I do not remember that I did, sir.

Mr. AUSTIN. During office hours?

Mr. ALEXANDER. I mean, during his working hours at the department.

Mr. POWELL. I believe once or twice he asked me to go over. He came and got a telephone message from his wife, I believe, that she was not well, and that the woman had not come to make the fire, and he asked me would I run over there just for a few minutes; and he lived pretty close.

Mr. ALEXANDER. That was in the winter time?

Mr. POWELL. Yes.

Mr. ALEXANDER. And you went over and fixed up to furnace?

Mr. POWELL. Yes, sir. He just asked me to run over and start up the fire.

Mr. ALEXANDER. Were those the only times during office hours that you went over there, that you mentioned, when you went and fired up the furnace?

Mr. POWELL. I do not remember going during office hours more than once or twice; I do not remember.

Mr. REDFIELD. Did he ever pay you for this work that you did?

Mr. POWELL. No, sir; I did not get any pay.

Mr. AUSTIN. You make him pay you the next time.

Mr. ALEXANDER. Did you ever work for any other party in the Post Office Department than Mr. Thomson and Mr. Bradley?

Mr. POWELL. No, sir; no one at all.

Mr. SLEMP. You have been working for the Government, as I understand, for about 11 years?

Mr. POWELL. Yes, sir.

Mr. SLEMP. And you did not have the custom of working outside of the department until last year?

Mr. POWELL. No, sir.

Mr. SLEMP. Was that the first time?

Mr. POWELL. That was the first time I was ever called upon to do any outside work for any of the officials.

Mr. REDFIELD. How about these other men? Did they go out now and then to do work for various officers?

Mr. POWELL. I do not know, sir. I only know of this instance of Mr. Byrne and Mr. Wilson, because we were working right together in Mr. Thomson's house.

Mr. REDFIELD. Was there or was there not an understanding among the men that they were expected to go out when they were called upon?

Mr. POWELL. If there was such an understanding I do not know anything about it; I never heard anything about it.

Mr. REDFIELD. You did not object to going?

Mr. POWELL. You mean on this occasion?

Mr. REDFIELD. Yes.

Mr. POWELL. I did not think it was safe for me to object. I was told I had to go to do something at one of the official's houses, and I felt I was in the capacity of a servant, and it was best for me to obey.

Mr. AUSTIN. Then you were a very clever man besides, I suppose?
[Laughter.]

(The witness was excused.)

TESTIMONY OF WASHINGTON HENRY HAMILTON (Colored).

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your name in full, and your city address.

Mr. HAMILTON. Washington Henry Hamilton, 2311 H Street, NW.

The CHAIRMAN. Mr. Hamilton, are you employed in the Post Office Department at this time?

Mr. HAMILTON. Yes, sir; the post office annex. It is the same thing, is it not?

The CHAIRMAN. Yes, sir. How long have you been in the employ of the Post Office Department?

Mr. HAMILTON. In the neighborhood of about four years. I went there in 1907, the 13th day of August.

The CHAIRMAN. And in what capacity are you working now?

Mr. HAMILTON. In the packing department, shipping and packing. We just do the packing; we do not do any shipping.

The CHAIRMAN. Packing what?

Mr. HAMILTON. Of supplies.

The CHAIRMAN. You are in the Supply Division?

Mr. HAMILTON. Yes, sir.

The CHAIRMAN. Did you ever do any work during office hours for Mr. G. G. Thomson, in a private capacity, at his home or elsewhere?

Mr. HAMILTON. No, sir.

The CHAIRMAN. Did you assist him in packing his household

Mr. HAMILTON. I did not, sir.

The CHAIRMAN. Did you ever do any work at all for Mr. Thomson in a private capacity?

Mr. HAMILTON. None at all, sir.

The CHAIRMAN. Or for any other post office official?

Mr. HAMILTON. I do remember of one case, but not Mr. Thomson, of helping to do some work.

The CHAIRMAN. What was that?

Mr. HAMILTON. That was helping to pack up stuff for Mr. Covert. That was before Mr. Thomson.

The CHAIRMAN. Who is Mr. Covert?

Mr. HAMILTON. He was the chief at the time at the post office annex.

The CHAIRMAN. What did you do for him?

Mr. HAMILTON. Helped him pack some of his household goods.

The CHAIRMAN. How long were you so engaged?

Mr. HAMILTON. Some time during the day.

The CHAIRMAN. How long?

Mr. HAMILTON. Only one day. But then I could not tell just every hour and minute it was. It was in working hours.

The CHAIRMAN. Was that Mr. Covert moving from the city?

Mr. HAMILTON. I understood it was packed for that purpose, but where it went to I do not know. That was packed at his house.

The CHAIRMAN. When was that?

Mr. HAMILTON. That was in, I suppose, 1908 or 1909; something like that. I hardly committed it to memory. That is the only time I ever went out from the office, and I paid very little attention to it, though I know I went.

The CHAIRMAN. Do you know of any other employees in the Post Office Department who have been called upon to do private work for chiefs of divisions, or other officials?

Mr. HAMILTON. I know of this same person on this same case with me.

The CHAIRMAN. Who was that?

Mr. HAMILTON. Joseph Graves; him and myself were there together.

The CHAIRMAN. Tell us what you did?

Mr. HAMILTON. All we did was just to help pack up things, whatever they wanted to pack, chairs and any kind of furniture, anything he had to pack, household goods.

The CHAIRMAN. When you did this work, were you on leave of absence?

Mr. HAMILTON. I were not.

The CHAIRMAN. You were drawing pay from the Government while so engaged?

Mr. HAMILTON. While so engaged.

The CHAIRMAN. Did you receive any compensation?

Mr. HAMILTON. Nothing at all. I got promises, but I did not receive nothing. [Laughter.]

Mr. McCoy. Tell us from whom you received the promises?

Mr. HAMILTON. From Mr. Covert.

Mr. McCoy. What did Mr. Covert say to you? What did he promise you?

Mr. HAMILTON. He promised to put me on the eligible list to be appointed a little higher. I went there as a laborer; of course I am not doing laborer work at all. All our work is skilled-labor work, but we did not take that examination; and he promised to promote me; that is all.

Mr. McCoy. And he failed to do it?

Mr. HAMILTON. He failed to do it, sir.

Mr. McCoy. Have you been promoted since?

Mr. HAMILTON. No, sir. That is the reason I said I got promises. If I had got promoted, I would have thought some of the promises was fulfilled.

Mr. AUSTIN. Was he in a position to promote you?

Mr. HAMILTON. I do not know that he was. I know that he was chief of that department. I do not know how he stood. I only took his promises.

Mr. REDFIELD. What division was he chief of?

Mr. HAMILTON. Of the Supply Division.

Mr. REDFIELD. At that time?

Mr. HAMILTON. Yes, sir.

Mr. McCoy. Where is he now?

Mr. HAMILTON. I do not know.

Mr. McCoy. You do not know whether he is in the department?

Mr. HAMILTON. I do not know.

Mr. McCoy. Did you hear where he expected to send his furniture at the time?

Mr. HAMILTON. I did not; but if I did, it has slipped my memory.

Mr. SLEMP. You do not seem to recall just when this work occurred?

Mr. HAMILTON. No, sir: I paid very little attention to it. My understanding was to do as I was told to do, and just whatever they told me to do I thought it right, and I paid very little attention to it. I just tried to satisfy them as best I could when I was told to do anything.

Mr. SLEMP. You remember only one instance?

Mr. HAMILTON. Only one instance that I ever went out.

Mr. SLEMP. 1908 or 1909?

Mr. HAMILTON. Somewhere about that.

Mr. SLEMP. What time of the year was it?

Mr. HAMILTON. I do not know whether it was either fall or spring. I did not pay much attention to it. Only I know I was out there one day with Graves, doing this packing.

Mr. McCoy. Where did he live?

Mr. HAMILTON. Beyond the Chevy Chase Lake, on that road.

Mr. McCoy. Beyond the club?

Mr. HAMILTON. Beyond the lake, because we went out as far as the cars run to the lake, and then boarded another little car that runs farther; some little place out there. That was the first and last time I was ever out there.

Mr. AUSTIN. They paid your street car fare?

Mr. HAMILTON. They did that, all right. If they had not, I could not have gotten there, because I did not have it. [Laughter.] Out of \$55 a month a man does not have enough to get a chew of tobacco now.

Mr. REDFIELD. Mr. Hamilton, how much are you paid?

Mr. HAMILTON. \$55 a month; \$660 a year.

Mr. REDFIELD. You work six days in the week?

Mr. HAMILTON. Yes, sir; sometimes seven.

Mr. REDFIELD. Sometimes seven?

Mr. HAMILTON. Yes, sir.

Mr. REDFIELD. Do you work overtime occasionally?

Mr. HAMILTON. Yes, sir; occasionally.

Mr. REDFIELD. Are you paid for overtime?

Mr. HAMILTON. No, sir.

Mr. REDFIELD. Are you paid for working on Sunday?

Mr. HAMILTON. No, sir.

Mr. REDFIELD. Are your meals supplied to you when you work overtime, or on Sunday?

Mr. HAMILTON. If it is it is supplied by my own family.

Mr. REDFIELD. And your work consists in taking cases which are shipped to the department in sections and assembling those cases, putting them together, packing and then nailing the cases, marking and strapping, if need be. That is your work?

Mr. HAMILTON. Yes, sir.

Mr. REDFIELD. And that involves your having sufficient practical carpenter's skill to take the various sections of the case and put them together strongly and substantially for shipping purposes?

Mr. HAMILTON. Yes, sir.

Mr. REDFIELD. Is it not a fact that you are held accountable for your part, for not only the accurate count of the goods you pack in these cases, but for the condition in which they are?

Mr. HAMILTON. Yes, sir. We have cards for that, put in every box; if it fails, the party who fails to get the number that is due them in this box—this card is shipped in every box—and it is returned, and I am supposed to write a letter to the chief to know why this was not packed right, or why the shortage of the goods is there.

Mr. TOWNER. Mr. Hamilton, I understood you to say that this work you did you did not regard as anything particularly strange?

Mr. HAMILTON. No, sir; I did not.

Mr. TOWNER. Then you did it just as a matter of course?

Mr. HAMILTON. Yes, sir. This work you mean——

Mr. TOWNER. For Mr. Covert.

Mr. HAMILTON. Yes, sir; I thought I was supposed to obey my superior officer. Whatever he told me to do I thought he was responsible for; that is the way I stood in the case.

Mr. TOWNER. You did not expect any extra pay for it, of course, then, did you?

Mr. HAMILTON. I did not, sir. Only he made me this offer. I did not expect anything at all for it, because I knew what I was getting, and whilst I was not kept over hours, I did not expect anything for it. If he had given me anything for it, I would have taken it.

Mr. TOWNER. If it was what you thought was in the regular line of your work, you would not have expected anything extra for it, would you, Mr. Hamilton?

Mr. HAMILTON. No, sir.

Mr. TOWNER. It was for this, then, that he promised to assist in your promotion, was it?

Mr. HAMILTON. I do not know why he did that; he said he would.

Mr. TOWNER. When did he say he would?

Mr. HAMILTON. I do not know. He said it at different times, because I took a mere unskilled laborer's examination, just as laborer, and I am really doing skilled work. Our work is skilled, and we are supposed to know what goes out; and we did at one time have to write our work up every evening, and turn it in, and to this day we have. If a label comes down, and we need three, we write them. If we are going to send something to Cincinnati, and need a label, we write it. I do not think that is unskilled.

Mr. TOWNER. Exactly; and you called Mr. Covert's attention to the fact that you were doing skilled labor, and were really getting unskilled wages, and you did not think that was right?

Mr. HAMILTON. I called his attention to that, sir.

Mr. TOWNER. And when you thus called his attention to it, he said he would try to secure you a promotion?

Mr. HAMILTON. Yes, sir.

Mr. TOWNER. Then you have no reason to believe that he was promising you a promotion because you did this extra work for him out there?

Mr. HAMILTON. I could not say that.

Mr. TOWNER. That is all.

The CHAIRMAN. Mr. Hamilton, do you know whether or not this carpenter, Byrne, crated and packed any household goods in the Post Office Annex, as you call it, for Mr. G. G. Thomson?

Mr. HAMILTON. Do I know that personally?

The CHAIRMAN. Yes.

Mr. HAMILTON. I do not, sir; I heard it, but I don't know it personally.

The CHAIRMAN. Did you understand he did?

Mr. HAMILTON. I heard it, but I do not know it. I could not say personally that I know it. I heard that he did.

The CHAIRMAN. You say you heard it. Tell us when you heard it.

Mr. HAMILTON. I just heard it flying around, just as it is now, from no particular one, but to say it as my personal knowledge, and to swear that I know they did, I could not.

The CHAIRMAN. Do you know whether or not he used any Government lumber in making these crates?

Mr. HAMILTON. I could not say that, even. If it was packed, it was not packed on the floor where I am employed, and there is where we have to stay all day, and, naturally, we could not know what goes on on any other floor—that is, to be a witness to it.

The CHAIRMAN. Did you hear that he did?

Mr. HAMILTON. I just heard that they did some packing around there, but what I mean to say is, I could not say they did.

The CHAIRMAN. You heard it?

Mr. HAMILTON. I heard it; yes.

The CHAIRMAN. At the time it is alleged he did this work?

Mr. HAMILTON. I do not know just what time it was done. I might have heard it afterwards; I could not say particularly it was just at the time it was going on, because I don't know, really, just the time it was going on.

The CHAIRMAN. About how long is it since you first heard this talk about crating goods out of post-office lumber in post-office time?

Mr. HAMILTON. It has been since Mr. Thomson left there; different times. I could not just say what day and what date, but it is since Mr. Thomson has been away from there.

The CHAIRMAN. That talk is general among employees there in the annex, is it?

Mr. HAMILTON. Yes. Sometimes they are particular about how they talk.

The CHAIRMAN. Why are they particular?

Mr. HAMILTON. I do not know. They do not make a general talk of it like you would everything. Now and then you hear it flying around like you would anything of that nature.

The CHAIRMAN. Is it through fear that they would lose their positions?

Mr. HAMILTON. That I could not say; that I do not know.

The CHAIRMAN. How is it as to your own case?

Mr. HAMILTON. I knew nothing of it, and I was afraid to have anything to do with it, because I don't know anything more than what I have heard, and you can not always pick up what you hear and go on with it.

(The witness was excused.)

TESTIMONY OF MR. GEORGE LANDICK, JR.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. What is your address?

Mr. LANDICK. 2621 Fourteenth Street.

The CHAIRMAN. Mr. Landick, are you an employee in the Post Office Department?

Mr. LANDICK. Yes, sir.

The CHAIRMAN. What are your duties?

Mr. LANDICK. Up to about a month ago I was receiving clerk over there.

The CHAIRMAN. Receiving clerk in what division?

Mr. LANDICK. In the Supply Division.

The CHAIRMAN. And how long have you been employed in the Post Office Department?

Mr. LANDICK. Since August 4, 1904.

The CHAIRMAN. You have been in the Supply Division all that time?

Mr. LANDICK. Yes, sir.

The CHAIRMAN. Did you have anything to do with the shipping of the household goods of Mr. G. G. Thomson?

Mr. LANDICK. Yes, sir.

The CHAIRMAN. What did you do?

Mr. LANDICK. I secured rates from the Norfolk & Washington people for him on what it would cost for him to ship them to Galveston, Tex., or wherever it was he was going; I think it was Galveston.

The CHAIRMAN. Just go ahead and tell this committee what you had to do with the supervision of the shipping of Mr. Thomson's household goods to Texas.

Mr. LANDICK. I simply got the rates from the Norfolk & Washington on what it would cost to ship to Galveston, and after that

called the Knox Express Co. and had them get the goods and ship them off. They took charge of the whole shipping.

The CHAIRMAN. Did not Mr. Thomson have his household goods removed from his residence to the Post Office Annex?

Mr. LANDICK. Oh, no. They came down from the place up in the mountains where he had his wife up there. She was sick at the time, and when he was transferred to Galveston—I think it was Galveston he was transferred to, was it not?

The CHAIRMAN. Austin.

Mr. LANDICK. Austin, yes; that is right. He simply had those sent down to the Supply Division for a few days, or weeks, or whatever it was, until he could get the rates and ship them on to Austin.

The CHAIRMAN. Had them stored there?

Mr. LANDICK. Yes.

Mr. McCoy. Where were the goods, do you say?

Mr. LANDICK. I do not know what town he was at up in the mountains.

Mr. McCoy. Over across the river?

Mr. LANDICK. No; up in West Virginia or Virginia. His wife was up there. She was sick and had been sent to the mountains.

The CHAIRMAN. Did not Mr. Thomson live here in the city?

Mr. LANDICK. He stayed here.

The CHAIRMAN. Did he not have at least a part of his household goods in some residence in the city?

Mr. LANDICK. Yes; I suppose he did. But the household goods that were stored in the Supply Division were those which he had up in the mountains. They were not, by any means, all of his household goods.

The CHAIRMAN. Do you know whether those household goods were crated in the Post Office Annex by employees of the Post Office Department?

Mr. LANDICK. They were.

The CHAIRMAN. Do you know whether or not his goods were crated from lumber that was there in the Post Office Department?

Mr. LANDICK. As to the lumber business, I do not know anything about that. The lumber came there and I took it in.

The CHAIRMAN. Came from where?

Mr. LANDICK. It was delivered by some wagon. You see, I received so many goods that I could not say what wagon delivered this lumber or anything about it. It may have been delivered by a department wagon, or by a contractor, or some lumber dealer here in town.

The CHAIRMAN. Do you have any knowledge of Mr. Thomson's household goods having been removed from a residence in the city to the Post Office Annex for the purpose of crating?

Mr. LANDICK. No, indeed; all the household goods that were crated at the Supply Division were received from this place in West Virginia.

Mr. SLEMP. Would they not come already crated?

Mr. LANDICK. They were baled and boxed in a sort of way. But he did not think they were in condition to ship them on to Austin, which is so much longer trip, you know, and they would have to go by boat.

Mr. TOWNER. Austin, you say?

Mr. LANDICK. Yes.

Mr. TOWNER. I thought you said Galveston.

Mr. LANDICK. I thought it was.

The CHAIRMAN. Do you know who paid for the drayage of Mr. Thomson's household goods, either from his residence or from the annex to the railroad depot?

Mr. LANDICK. He paid for that himself.

The CHAIRMAN. He paid for it, to your own knowledge?

Mr. LANDICK. Yes; because I handled his check. He gave me a signed check, and I filled in the amount.

The CHAIRMAN. Did you pay any other amount to any other person for assisting in either packing or shipping his household goods?

Mr. LANDICK. That is the only amount I paid—the freight and drayage from the annex.

The CHAIRMAN. Then, you simply ascertained the freight rates and supervised the shipping of the goods to the depot?

Mr. LANDICK. That is all.

The CHAIRMAN. About when was it, Mr. Landick, that these household goods were shipped to Texas?

Mr. LANDICK. I could not give any exact date. It was in the fall.

The CHAIRMAN. Of what year?

Mr. LANDICK. It seems to me it was last year.

Mr. TOWNER. September, perhaps?

Mr. LANDICK. About that time.

Mr. REDFIELD. It was 1910?

Mr. LANDICK. I think so.

Mr. TOWNER. September or October, 1910?

Mr. LANDICK. About that time.

The CHAIRMAN. Do you know who made out the bill of lading for the shipping of these goods?

Mr. LANDICK. The Norfolk & Washington people made it out.

The CHAIRMAN. Do you know a post-office employee by the name of George W. Smith?

Mr. LANDICK. I do.

The CHAIRMAN. Did he have anything to do with the shipping of these goods?

Mr. LANDICK. Nothing whatever; not unless he helped to secure rates from the different routes going to Austin.

The CHAIRMAN. Do you know a post-office employee by the name of Thomas D. Crow?

Mr. LANDICK. I do.

The CHAIRMAN. Do you know whether he had anything to do with the shipping of these goods?

Mr. LANDICK. I do not think he did.

The CHAIRMAN. Do you know a post-office employee by the name of Charles F. Boss?

Mr. LANDICK. I do.

The CHAIRMAN. Do you know whether he had anything to do with shipping the goods?

Mr. LANDICK. I think not.

The CHAIRMAN. You say, then, that you had the supervision of the shipping of the goods after they were crated, ready for shipment?

Mr. LANDICK. Yes, sir.

The CHAIRMAN. You attended to that yourself, and no one else had anything to do with it?

Mr. LANDICK. Nobody had anything to do with it, so far as I know, unless they got these rates, other than the ones that I got. Mr. Smith, you know, was the freight man in the Supply Division.

The CHAIRMAN. Mr. Smith is the freight man?

Mr. LANDICK. Yes.

Mr. SLEMP. You simply turned them over to the Knox Express?

Mr. LANDICK. And I went down to the Norfolk & Washington to see that they would get them off as soon as they were delivered to them.

The CHAIRMAN. About how much time did it take for you to attend to this matter for Mr. Thomson?

Mr. LANDICK. Long enough to take the telephone off the hook and call them up; then to go down and ask Mr. Whatever-his-name-is of the Norfolk & Washington to put them on the evening boat. I should say an hour altogether.

The CHAIRMAN. Is it the practice of the post-office employees to perform services of this kind, of a private character, for the chiefs of the divisions, while on Government pay?

Mr. LANDICK. If requested to do so.

The CHAIRMAN. If the request is made, it is the custom to do it?

Mr. LANDICK. Certainly.

The CHAIRMAN. Tell me why they do it.

Mr. LANDICK. Naturally there is always a little time to spare in an office, and what reason would there be for refusing a request of your superior officer if you had the time to do it?

The CHAIRMAN. Do you know of any other employees who have performed services similar to that for the chiefs of divisions?

Mr. LANDICK. Not outside of that crating of the furniture. They may have done other things for him that I do not know anything about.

Mr. REDFIELD. For other officers, besides Mr. Thomson?

Mr. LANDICK. Oh, yes. It may be a general thing throughout the department. I do not know as to that. I have been in the Supply Division ever since I have been there.

The CHAIRMAN. Do you have any knowledge of this carpenter, Byrne, crating Mr. Thomson's furniture?

Mr. LANDICK. Yes; he worked on the same floor I did.

The CHAIRMAN. And you saw him engaged in that work?

Mr. LANDICK. Yes.

The CHAIRMAN. Do you have any idea how much time he spent crating those goods?

Mr. LANDICK. I could not say how much time he put on it, because I was in and out all the time.

The CHAIRMAN. Perhaps two or three days?

Mr. LANDICK. He may have been that long; I do not say he put all that time on it. He may have been in and out the same as I was.

The CHAIRMAN. Do you know whether this man Byrne went to his residence here in the city and crated the goods for him or not?

Mr. LANDICK. No; I do not know as to that.

The CHAIRMAN. Did you hear that he did?

Mr. LANDICK. I have heard that other men—I do not know that I have heard that Mr. Byrne did, but I have heard that Graves, I be-

lieve it was, did. He was the only man I heard about that went up to Mr. Thomson's residence.

Mr. ALEXANDER. Who else were engaged with Mr. Byrne in crating the goods at the office?

Mr. LANDICK. Byrne himself was the only one man on the second floor that I recall now.

Mr. ALEXANDER. Was any one else engaged with him in the work?

Mr. LANDICK. Not that I know of. Of course, I did not stand right there and watch him to see who helped him.

Mr. REDFIELD. Were any of these goods boxed?

Mr. LANDICK. Some of them were.

Mr. REDFIELD. For that purpose the regular standard boxes of the department were used?

Mr. LANDICK. The boxes that came down from the mountains of Virginia. They may have been department boxes, or they may not; I do not know as to that.

Mr. REDFIELD. Do not the department boxes have a distinguishing character?

Mr. LANDICK. They are packing cases. Some are small, some are large; any other firm may get the same kind of a box.

Mr. SLEMP. Was Mr. Thomson in the city at the time this work was going on?

Mr. LANDICK. Yes; I think he was in the city all the time.

Mr. SLEMP. He could have attended to this matter of shipping his goods himself?

Mr. LANDICK. He could; but I suppose he was too busy.

Mr. AUSTIN. You say it was the custom to do this private work for superior officers? Do you know of any other instance except this?

Mr. LANDICK. No.

Mr. AUSTIN. Then why do you say it is the custom?

Mr. SLEMP. He said it might be.

Mr. LANDICK. It might be. I do not say it is the custom at all. Other men may have done work for them that I do not know anything about.

Mr. REDFIELD. Apart from your own knowledge, what is said among the men in the department about this work—this class of work—for private officers?

Mr. LANDICK. I do not know that anything special has ever been said about it, or anything at all. It seems to be taken as a matter of course that a man will do the work he is asked to do.

Mr. REDFIELD. And also as a matter of course that from time to time he will be asked to do it?

Mr. LANDICK. It depends on whom you are working for.

Mr. REDFIELD. That is, it depends on the position of the public officer?

Mr. LANDICK. Certainly.

Mr. REDFIELD. If he wants to have this private work done, it is the general understanding, "Go ahead and do it"?

Mr. LANDICK. That it will be done; yes, sir.

Mr. TOWNER. Now, Mr. Landick, let the committee know to what extent this is carried on, if you can, so far as it has come under your personal knowledge and observation.

Mr. LANDICK. I would not say that it has been carried on to any great extent. I would not say that a superior officer has taken men

out of the department to do his own housework, or something like that. It is simply a special occasion.

Mr. TOWNER. You recognize that as a special instance in this case, do you?

Mr. LANDICK. Yes; in a way it was an exceptional instance.

Mr. TOWNER. Do you know of any other instance of that kind?

Mr. LANDICK. No; I do not.

Mr. TOWNER. Either through your own observation, or from the statements of others?

Mr. LANDICK. No; I do not.

Mr. TOWNER. You occupied, as I understand it, only about an hour's time, perhaps, in this routing of these household goods for your chief?

Mr. LANDICK. Yes, sir.

Mr. TOWNER. Was that an interference with your work as a Government employee to any extent?

Mr. LANDICK. No; I should say not.

Mr. TOWNER. You modify it by the words, "I should say." Can you not give the committee definite knowledge regarding that? Now, did it or did it not interfere with your duties?

Mr. LANDICK. It did not; because I have an assistant right there, who can take up my work whenever I leave. As a matter of fact, I am away now.

Mr. McCoy. You consider that your being here does interfere with your work, do you not?

Mr. LANDICK. If I had to do the work it would; but I did not mean being here was being away from the office. I am now down to the General Supply Committee, and have been there for a month.

Mr. McCoy. You have to work, do you not?

Mr. LANDICK. Oh, yes.

Mr. McCoy. You have work to do?

Mr. LANDICK. Oh, yes. I thought you meant the work of the receiving clerk.

Mr. REDFIELD. You do not mean to say that your services are unnecessary, and can be dispensed with without any injury to the Government service, do you? [Laughter.]

Mr. LANDICK. That might be. [Renewed laughter.]

Mr. McCoy. In answer to Judge Towner, you said you did not know of any other instance of that kind, referring to the instance in which Mr. Thomson had work done. Were you referring, then, to the packing of goods by men in the department, or merely to your shipping of the goods?

Mr. LANDICK. No; general work of any nature.

Mr. McCoy. Did you not say that in the department private work was done?

Mr. LANDICK. I said it may be the custom to do that sort of work.

Mr. McCoy. Is it the custom?

Mr. LANDICK. That I do not know. I know that a majority of the clerks—I suppose—are very much the same as myself; if they were asked to do anything they would go ahead and do it.

Mr. McCoy. Of course, that is not the equivalent of saying it is the custom.

Mr. LANDICK. No; I do not say it is the custom. I say it may be the custom.

Mr. McCoy. Why do you say it may be the custom?

Mr. LANDICK. Simply because I think I am an average clerk, and an average clerk would go ahead and do anything his superior officer asked him to do.

Mr. McCoy. That is only a psychological proposition you are stating, that it is likely a clerk would do what he was told, even if it took him into private work for his superior official; is not that so?

Mr. LANDICK. Yes. You are getting beyond me when you talk about a question of psychology.

Mr. McCoy. Say, then, it is a matter of human nature that a man would obey his superior officer, even to the extent of doing some private work for him?

Mr. LANDICK. Yes, sir.

Mr. McCoy. Is that all you meant by your answer previously given, that it might be a custom?

Mr. LANDICK. Yes, sir.

Mr. McCoy. Do you know of any instance of any kind or description where anybody in the Supply Division, or other Government department, has done private work?

Mr. LANDICK. No, sir; I do not.

Mr. McCoy. Did you ever hear of any other?

Mr. LANDICK. No; I did not.

Mr. SLEMP. I take it that your work there was largely for expediting the departure of Mr. Thomson to his new field of duties?

Mr. LANDICK. That is it.

Mr. SLEMP. And really the telephoning part might have come in under your general duties?

Mr. LANDICK. Certainly.

Mr. McCoy. You say you got some freight rates for him; did you get special rates of any kind?

Mr. LANDICK. No special rate at all, except that they were going by boat. That is cheaper than going by rail.

Mr. McCoy. In other words, you inquired what the regular rate was, and that is what was paid?

Mr. LANDICK. Yes, sir.

Mr. AUSTIN. We could put an end to all of this business by having the Postmaster General issue a general order prohibiting the employees from doing private work in office hours?

Mr. LANDICK. Prohibiting the supervising officers from asking a clerk to do such a thing?

Mr. McCoy. I agree with the witness that that is the end to come first.

Mr. LANDICK. It is not the clerk that the order should be issued to, it seems to me.

Mr. McCoy. I would give both orders.

The CHAIRMAN. Now, Mr. Landick, what do you know about the payment of the charges on these goods to Austin, Tex.? Have you any knowledge as to who paid them?

Mr. LANDICK. Mr. Thomson paid them with his personal check, as I said before; he signed the check.

The CHAIRMAN. I am not talking about the drayage or cartage charges. Do you know that he paid the drayage and cartage charges?

Mr. LANDICK. I do.

The CHAIRMAN. Do you know that he paid the charges on the boat through to Austin, Tex.?

Mr. LANDICK. He did.

The CHAIRMAN. You know that he did that?

Mr. LANDICK. I do know that, because I filled in the check that he signed.

Mr. AUSTIN. It was a personal check?

Mr. LANDICK. It was a personal check. He signed it before he left the office.

(The witness was excused.)

(Thereupon, at 11.30 a. m., a recess was taken until 2.30 p. m.)

AFTER RECESS.

The committee reconvened, pursuant to the taking of recess, at 2.30 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, McCoy, Austin, Slemp, and Towner.

TESTIMONY OF MR. SHERMAN WILSON (Colored).

The CHAIRMAN. Give your name in full, and address.

Mr. WILSON. Sherman Wilson, 1632 Montello Avenue NE.

The CHAIRMAN. Mr. Wilson, are you at this time an employee in the Post Office Department?

Mr. WILSON. Yes, sir.

The CHAIRMAN. In what capacity are you employed?

Mr. WILSON. I am a messenger in the rural mails.

The CHAIRMAN. How long have you been serving in that capacity?

Mr. WILSON. About five weeks to-day.

The CHAIRMAN. Previous to that time were you in the employ of the Post Office Department?

Mr. WILSON. Yes, sir.

The CHAIRMAN. In what division and what capacity?

Mr. WILSON. Supply Division.

The CHAIRMAN. How long did you work in the Supply Division?

Mr. WILSON. I went in the Supply Division in 1907; a little over three years.

The CHAIRMAN. Was that the beginning of your employment in the Post Office Department?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Were you in the Supply Division all of the time that Mr. G. G. Thomson was the superintendent of that division?

Mr. WILSON. I was.

The CHAIRMAN. And you were his special messenger in the Supply Division, were you?

Mr. WILSON. They did not use me for special messenger at all times. He had a regular messenger there, and I used to take all special mails to the main building, because I had a wheel.

The CHAIRMAN. And when he was appointed Superintendent of the Rural Mail Service you were transferred to that division and made a special messenger?

Mr. WILSON. I was transferred to that division; yes, sir.

The CHAIRMAN. You were transferred since he became superintendent of that division, were you not?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Do you know why that transfer was made?

Mr. WILSON. On my request.

The CHAIRMAN. Why did you request to be transferred to that division?

Mr. WILSON. Because at the present time they were working over hours too much in the Supply Division.

The CHAIRMAN. You thought it would be an easier job in the division of Rural Mail Service?

Mr. WILSON. I did not think it would be easier, but I thought I would have better hours, and I thought I would have a better chance to get promoted.

The CHAIRMAN. Did you have any assurance from anyone that you would receive a promotion?

Mr. WILSON. I did not.

The CHAIRMAN. Did Mr. Thomson indicate to you at any time that he would like to have you make a request to be transferred to his division?

Mr. WILSON. No, sir; he did not know anything about it, personally, I don't think.

The CHAIRMAN. It came to him as a surprise when you were transferred?

Mr. WILSON. I went over and made a request to be transferred; I did not say where to, but I made a request to be transferred.

The CHAIRMAN. Of whom did you make the request?

Mr. WILSON. I asked him.

The CHAIRMAN. Asked whom?

Mr. WILSON. Asked Mr. Thomson if he would intercede along that line, but I did not ask him to be under him.

The CHAIRMAN. But you asked him to help you?

Mr. WILSON. I asked him if he would intercede.

The CHAIRMAN. Then, the first notice that you had after you made the request of Mr. Thomson was the notice to come over to his division?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Was there any reason that prompted you to ask for the transfer, except that you thought there would be shorter hours and a better chance for promotion?

Mr. WILSON. That was the only reason.

The CHAIRMAN. Now, Mr. Wilson, did you ever do any work for Mr. Thomson during working hours in a private capacity, at his home or elsewhere?

Mr. WILSON. No, sir; I never did any work for him privately. I did some work for him, as I say, in gathering his things for removal, but I was on leave.

The CHAIRMAN. When was that?

Mr. WILSON. That was when he was going to Austin, Tex.

The CHAIRMAN. When you did this work for him at his home, you were on leave of absence?

Mr. WILSON. Yes, sir.

The CHAIRMAN. You are sure of that?

Mr. WILSON. Yes, sir; I was on my leave.

The CHAIRMAN. How did you secure that leave?

Mr. WILSON. It was through him; he was superintendent then.

The CHAIRMAN. And he secured the leave of absence for you?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Are you sure that he secured the leave of absence?

Mr. WILSON. He said he did, and I did not use that time any more.

The CHAIRMAN. It was not a question about losing the time; it was a question about whether you had a leave of absence.

Mr. WILSON. Yes, I had the leave of absence coming to me.

The CHAIRMAN. Did he tell you he had a leave of absence for you, or did he just tell you to go up there and do that work?

Mr. WILSON. He told me I could go up there and take it out of my time.

The CHAIRMAN. You said you did not lose any time.

Mr. WILSON. I said I did not use the time any more, that time I was up there; I did not get any more days for it.

The CHAIRMAN. Did you ever do any work for him except pack his household goods?

Mr. WILSON. Yes; I have been called at his house time after time at 7 o'clock in the morning—that was for the mail—and brought it back to the department.

The CHAIRMAN. Is that all you ever did for him?

Mr. WILSON. I have gone up there at lunch hours for him, to take some mail; at the time his wife was very sick, to take some eggs for him.

The CHAIRMAN. Have you not done considerable work around his house?

Mr. WILSON. No; except to take his mail.

The CHAIRMAN. Have you not done servant's work around the house, errands and chores?

Mr. WILSON. No; I never went on any errands for him at his house. It was only from the department to his house, to carry something for him, something like that. I never did any errands for him from his house.

The CHAIRMAN. Can you and will you furnish to this committee evidence of the fact that when you performed that service for him, in helping him to get his household goods ready for shipment, you were on a leave of absence?

Mr. WILSON. I do not know how I am going to. I have not any record of my time. I told you the truth. I have not any record of the time. Perhaps you might secure that from the department.

The CHAIRMAN. I will ask you, Mr. Wilson, whether or not you have had any conversation with Mr. Thomson since you were first subpoenaed to appear before this committee, regarding evidence that you might be called upon to give to this committee?

Mr. WILSON. Mr. Thomson never said a word to me in regard to this committee.

The CHAIRMAN. Did you say anything to him?

Mr. WILSON. No, sir.

The CHAIRMAN. You never had any talk with him?

Mr. WILSON. No talk whatever.

The CHAIRMAN. Have you had any with anyone else?

Mr. WILSON. No, sir. No one else in regard to it. It was a surprise to me. I did not know anything about the matter until there was a warrant served on me.

Mr. ALEXANDER. Who was with you at Mr. Thomson's house at the time you packed his goods?

Mr. WILSON. I was alone when I was arranging the goods, but a couple of days before the goods was transferred there were two men there, Byrne and Powell.

Mr. ALEXANDER. How long were you there arranging the goods alone?

Mr. WILSON. Four days.

Mr. ALEXANDER. And how long were you there with Byrne and Powell?

Mr. WILSON. They came there on the third day; the third and the fourth day.

Mr. ALEXANDER. You were there, then, two days alone and two days with them?

Mr. WILSON. Yes, sir; they were crating the goods.

Mr. ALEXANDER. You were there two full days alone?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. You and they were there two full days together?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. You say Mr. Thomson gave you leave to go up there?

Mr. WILSON. Yes, sir; leave was granted to go up there.

Mr. ALEXANDER. He directed you to go there and pack his goods. did he not?

Mr. WILSON. No; he told me if I would go there he would pay me. So he paid me for the time I was there.

Mr. ALEXANDER. Did he direct you to go?

Mr. WILSON. No; he asked me to go.

Mr. ALEXANDER. We understand the matter alike; you went at his request?

Mr. WILSON. At his request.

Mr. ALEXANDER. To do this work. What course do you have to go through if you want a leave of absence for a day?

Mr. WILSON. You can give an excuse. For more than a day you have to make out a slip, and it has to be granted by the chief clerk of the Post Office Department.

Mr. ALEXANDER. Did you make out a slip and request leave of absence from anyone for those four days?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. Are you sure?

Mr. WILSON. I am quite sure, but I have not any record of it.

Mr. ALEXANDER. There would be a record of it, would there not, in the Post Office Department?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. You remember, though, as a distinct fact that you did make out this request in writing for leave of absence?

Mr. WILSON. Yes, sir; I made a request for 11 days' leave of absence.

Mr. ALEXANDER. No; but these four days?

Mr. WILSON. I used a part of these four days out of that.

Mr. ALEXANDER. Did you make the request for 11 days all at once?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. Was it during these four days that you made that request?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. What did you do the other seven?

Mr. WILSON. I used it around home.

Mr. ALEXANDER. You were, then, off duty 11 days?

Mr. WILSON. I was off duty 11 days.

Mr. ALEXANDER. Four of them working for Mr. Thomson?

Mr. WILSON. Mr. Thomson; yes, sir.

Mr. ALEXANDER. And did not receive pay from the Government for any part of the four days?

Mr. WILSON. Oh, yes; the leave was granted.

Mr. ALEXANDER. Do you get pay when you are off on leave?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. It is taken out of your annual leave, is it not?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. Then that was charged up to you on your annual leave?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. You say that Mr. Thomson paid you independently?

Mr. WILSON. He paid me independently; yes, sir.

Mr. ALEXANDER. How did he pay you?

Mr. WILSON. He paid me in the way of household goods, as I requested.

Mr. ALEXANDER. Goods out of his house?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. Do you remember what articles he turned over to you?

Mr. WILSON. Yes, sir; I can remember them very well. I have them in use now; a folding bed, and a hall rack, and a gas range, and a lot of other small articles.

Mr. ALEXANDER. He turned them over to you?

Mr. WILSON. Yes; I was satisfied with the goods I obtained from him for my services.

Mr. ALEXANDER. Do you know anything about these other men who were off?

Mr. WILSON. No, sir; I do not know anything about them.

Mr. ALEXANDER. The conditions under which they did work for him?

Mr. WILSON. No, sir; I do not.

Mr. ALEXANDER. Whether he paid them for their services?

Mr. WILSON. No, sir; I do not.

Mr. ALEXANDER. Or whether it was charged to them on account of their annual leave?

Mr. WILSON. No, sir; I do not know anything about that.

Mr. ALEXANDER. How many occasions did you do work for Mr. Thomson?

Mr. WILSON. I have been called up time after time to carry mail up to the other department. Of course, I thought that was official business; sometimes it was three or four times a day.

Mr. ALEXANDER. That was to the department, you say?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. I am talking about his home.

Mr. WILSON. I never did any work at his home for him, not in his house.

Mr. ALEXANDER. At any other time than these four days?

Mr. WILSON. These four days. Different times I have gone up lunch hour and carried him fresh eggs, the time his wife was ill; but I have not been out there any other times for him.

Mr. ALEXANDER. It was only during lunch hour; you never went there during office hours?

Mr. WILSON. No, sir.

Mr. ALEXANDER. Excepting during these four days?

Mr. WILSON. These four days.

Mr. SLEMP. Do you have 1 hour for lunch?

Mr. WILSON. I have half an hour.

Mr. ALEXANDER. Do you know of any other employees of the department being used by department chiefs or heads of bureaus?

Mr. WILSON. No; I do not. As a rule they keep those things secret from laborers or any other employees.

Mr. ALEXANDER. What do you mean by saying they keep them secret?

Mr. WILSON. If they are going to use any individual they would not make it public.

Mr. ALEXANDER. They would not say anything about it?

Mr. WILSON. No.

Mr. ALEXANDER. Do you mean to say that it is understood around the department that they do that?

Mr. WILSON. I do not mean to say—they would not come down and explain what they wanted before the others, what they wanted to use them for. You would not know whether a fellow had gone out on leave for an hour or two, or if he had gone out privately.

Mr. ALEXANDER. You are not speaking from knowledge about it at all, as I understand?

Mr. WILSON. In fact, I do not know anything about anybody else.

The CHAIRMAN. You have always considered, Mr. Wilson, that you were in good favor with Mr. Thomson, have you not, during your employment under him?

Mr. WILSON. I do not say any more than any other employees. He never showed me no more favors than he did any others there. I had to make the time as well as any others and work as hard as any of them. I had to make the scratch up to the minute. If I was a minute behind I would lose a half hour as quick as any of them.

Mr. ALEXANDER. What salary do you get?

Mr. WILSON. \$55.

Mr. SLEMP. Yours is a civil service position?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. This request for leave you made in writing, as I understand it, was made at the time of the four days?

Mr. WILSON. Yes, sir; for 11 days, I made a request for.

Mr. ALEXANDER. I know for 11 days, but tell me just what time you made the request.

Mr. WILSON. I just can not recall it.

Mr. ALEXANDER. Was it before you went up to the house to pack the goods?

Mr. WILSON. Yes, sir.

Mr. ALEXANDER. How long?

Mr. WILSON. I just do not know the dates of those things. I have lost my record card. Maybe you can find out from the department.

Mr. ALEXANDER. That is the reason I wanted to know what period it covered to investigate. Was it the day before or the week before?

Mr. WILSON. I am satisfied it was a day before.

Mr. ALEXANDER. Was it as much as a week before?

Mr. WILSON. I am satisfied it was a week before, but I just do not know.

Mr. ALEXANDER. It was about that time?

Mr. WILSON. It was before I went up there.

Mr. ALEXANDER. Did you know at that time that you would be occupied about 11 days in work for him and about home? How did you happen to apply for 11 days? Do you remember that?

Mr. WILSON. Because I wanted to use the other days around home.

Mr. ALEXANDER. Let me understand. In this application do you state the number of days you want off, or just ask for leave?

Mr. WILSON. No; you have to state the number of days, even down to hours.

Mr. SLEMP. You do not have to say for what purpose you want the leave?

Mr. WILSON. Oh, no.

The CHAIRMAN. Mr. Wilson, will you secure a duplicate copy of your request at the time in question for this leave of absence, and bring it to the committee?

Mr. WILSON. I think it would be better for the committee to try to secure it, because they have a better chance to secure those things from the department than I would.

The CHAIRMAN. All right.

Mr. SLEMP. Just one question which might be interesting. What time of the year was it you went up there, do you remember?

Mr. WILSON. It was either the latter part of July or in August some time.

Mr. SLEMP. You were there at the time Mr. Byrne and Mr. Powell were there?

Mr. WILSON. Yes; that is, I just used this judgment—it was along about that time. I could not give the exact days. I have no record of that time at all, because I never thought it would come to pass again. But you can find out from the department.

(The witness was excused.)

TESTIMONY OF MR. G. W. SMITH.

(Witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Smith, will you give the committee your name and address?

Mr. SMITH. G. W. Smith, 1620 North Capitol Street.

The CHAIRMAN. In what business are you engaged?

Mr. SMITH. I am a clerk in the Post Office Department.

The CHAIRMAN. How long have you been in the Post Office Department?

Mr. SMITH. Since 1879, since the change of the Senate. When the political complexion of the Senate changed, in 1879, I went to the Post Office Department.

The CHAIRMAN. In what division of the Post Office Department are you now?

Mr. SMITH. I am in the property branch of the dead letter office.

The CHAIRMAN. How long have you been in that division?

Mr. SMITH. Pretty near all that time.

The CHAIRMAN. Did you have anything to do with the shipment of the household goods of George G. Thomson some time last year?

Mr. SMITH. No.

The CHAIRMAN. Is your name George W. Smith?

Mr. SMITH. George W. Smith.

The CHAIRMAN. Do you know whether or not there is an employee in the Division of Supplies by the name of George W. Smith?

Mr. SMITH. Yes; there is one there.

The CHAIRMAN. I will say to you that they have served the subpoena on the wrong man, and you are excused. It is George W. Smith, in the Division of Supplies, that the subpoena was for.

Mr. SMITH. That is it, I guess. There is one there; and then we also have another G. M. Smith in the inspector's office.

(The witness was excused.)

TESTIMONY OF MR. HENSON BUTLER (Colored).

The CHAIRMAN. Give your name and address.

Mr. BUTLER. Henson Butler, 816½ Twenty-fourth Street.

The CHAIRMAN. You will state whether or not you are employed in the Post Office Department at this time.

Mr. BUTLER. Yes, sir.

The CHAIRMAN. In what division.

Mr. BUTLER. I am in the Post Office Annex, Post Office Department.

The CHAIRMAN. What are your duties?

Mr. BUTLER. I am the stock man; handle all the stock for the cases, stationery; I do laboring work, and I am classified as an assistant messenger, but they use me for a stock man.

The CHAIRMAN. How long have you been in the Post Office Department?

Mr. BUTLER. I was appointed on the 27th day of October, 1904.

The CHAIRMAN. And you have been in this same division all of that time?

Mr. BUTLER. No, sir; I was appointed as a coal passer when I first came in, in the main building, Post Office Department, and I was a coal passer, as near as I can get at it, about three months, and they transferred me on the laboring force in the Post Office Annex, and they kept me for a while on the labor force, and then they transferred me as a watchman back to the main building again, and two years ago they transferred me back again over in this Post Office Annex as a stock man in the Post Office Annex, where I am located now.

The CHAIRMAN. Were you in the Division of Supplies while Mr. G. G. Thomson was superintendent of that division?

Mr. BUTLER. Yes, sir.

The CHAIRMAN. Did you ever perform any service for Mr. Thomson at his home, or elsewhere, in a private capacity?

Mr. BUTLER. Shortly after I was transferred over in his division he had me—I think it was a day, or probably a little more than a

day—to do some work up to his house; that is, pick some cherries for him up to his house on Monroe Street, 1612 Monroe Street, where he was living at that time.

The CHAIRMAN. When was that you picked the cherries?

Mr. BUTLER. That was nearly two years ago.

The CHAIRMAN. Were you on a leave of absence when you picked the cherries?

Mr. BUTLER. No, sir; he just had me to go up there and pick the cherries for him.

The CHAIRMAN. And you performed this work for him at his house while you were employed by the Government, and receiving Government pay, and were not on leave of absence?

Mr. BUTLER. No, sir; I was not on leave of absence.

The CHAIRMAN. You went up to his house at Mr. Thomson's orders?

Mr. BUTLER. Yes, sir; he asked me to go up there.

The CHAIRMAN. Did he ask you himself?

Mr. BUTLER. Yes, sir.

The CHAIRMAN. Is that all the service you ever performed for him?

Mr. BUTLER. Yes; that is all, to my knowings, that I ever performed for him outside of the office.

The CHAIRMAN. You did not do anything but pick cherries for a day and a half?

Mr. BUTLER. That is all. He had one cherry tree in his yard, and he asked me to go up there that day, and, of course, I did not get through that day, but went back the next day and finished picking the cherries.

The CHAIRMAN. Do you know of any other post office employees who have done work for Mr. Thomson similar to your own; that is, in a private way?

Mr. BUTLER. There was a fellow that he used to have there by the name of Wilson. Of course, I do not know whether he did it on his own say so, or whether he was ordered by Mr. Thomson or not. I have known him to do service outside, go errands, and so forth; but I do not know whether he paid him for it or whether he was ordered to do that, or not—a fellow by the name of Wilson.

Mr. ALEXANDER. Is that Sherman Wilson?

Mr. BUTLER. S. Wilson; yes, sir; that is the fellow.

Mr. ALEXANDER. A colored man?

Mr. BUTLER. Yes, sir; a young colored fellow.

The CHAIRMAN. Do you refer to these errands that Wilson did during office hours, working hours?

Mr. BUTLER. Oh, yes, sir; it was during working hours.

The CHAIRMAN. He was a sort of handy man to send out and do errands for Mr. Thomson?

Mr. BUTLER. Yes, sir; he was a kind of a favorite for Mr. Thomson, seemed to be a messenger for him.

The CHAIRMAN. It was understood among the employees then, that this Sherman Wilson was a favorite with Mr. Thomson?

Mr. BUTLER. It seemed so, as near as I can get at it. He generally called on him, and did not call on anybody else, after my time. He never called on me but once, to my knowings, and that was shortly

after I was transferred over in his supervision, to pick the cherries for him.

The CHAIRMAN. After that, when he wanted an odd job done, he called for this man Wilson?

Mr. BUTLER. Yes, sir.

Mr. AUSTIN. You were the cherry picker? [Laughter.]

Mr. BUTLER. Yes, sir; I picked the cherries.

Mr. ALEXANDER. How often did he have Wilson go out on errands for him?

Mr. BUTLER. Indeed, I could not say; I do not know; a good many times, I suppose, as near as I can get at.

Mr. ALEXANDER. What did he go for, do you know? Did you learn from Thomson or Wilson what he went for?

Mr. BUTLER. No, sir; they never told me.

The CHAIRMAN. He is absent considerably from the office, doing outside work for Mr. Thomson?

Mr. BUTLER. Yes, sir; he was absent from the office during hours; yes, sir.

Mr. AUSTIN. Your private job only came once a year? [Laughter.]

Mr. BUTLER. Yes.

Mr. SLEMP. Do you know, from your own personal knowledge, that Mr. Thomson was requesting Mr. Wilson to go out and do work for him?

Mr. BUTLER. No, sir; not particular. Only he would send for him to come upstairs, and, of course, I am located on the fourth floor, and his office is on the fifth floor, and whenever he would need him he would always send down for him to come upstairs, and then he would go out from there.

Mr. SLEMP. You would not know for what reason he went out?

Mr. BUTLER. No, sir.

Mr. SLEMP. You are speaking of Mr. Wilson being a favorite of Mr. Thomson.

Mr. BUTLER. Yes, sir; I say so, as near as I can get at it. He would always call on him in preference to anybody else. He would never call on any of the rest of the men.

Mr. AUSTIN. Do you know if Wilson was the only man he ever paid for his services?

Mr. BUTLER. I never knew of him paying him anything.

The CHAIRMAN. Did Mr. Thomson pay you anything for picking the cherries?

Mr. BUTLER. No, sir.

Mr. AUSTIN. Do you know what Government employee cooked the cherries? [Laughter.]

Mr. BUTLER. No, sir. I could not tell what come to the cherries after I got through with them. I did not get any of them, for sure.

Mr. SLEMP. What is your salary per month?

Mr. BUTLER. I get \$60 per month.

Mr. AUSTIN. The next time they call on you, you pick a while and eat a while, and you will get even.

The CHAIRMAN. Do you know anything about post-office employees packing household goods for Mr. Thomson?

Mr. BUTLER. No, sir.

The CHAIRMAN. You do not know anything about that?

Mr. BUTLER. No, indeed, sir.

The CHAIRMAN. You do not know of any other employees who have performed any other work for Mr. Thomson?

Mr. BUTLER. No, sir; not to my knowledge.

(The witness was excused.)

TESTIMONY OF MR. JACOB FENDERSON (COLORED).

The CHAIRMAN. Give your name and address.

Mr. FENDERSON. Jacob Fenderson, 440 Riggs Street NW.

The CHAIRMAN. Mr. Fenderson, are you employed in the Post Office Department?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. In what division?

Mr. FENDERSON. Supply Division.

The CHAIRMAN. How long have you been in that division?

Mr. FENDERSON. I have been there four years the 27th of last month.

The CHAIRMAN. Had you had any other service in the Post Office Department previous to your appointment to the Division of Supplies?

Mr. FENDERSON. No, sir.

The CHAIRMAN. Did you assist in any way in packing or shipping the household goods of Mr. G. G. Thomson, who was the superintendent of that division?

Mr. FENDERSON. Yes, sir; I did.

The CHAIRMAN. What did you do?

Mr. FENDERSON. I loaded it on the wagon and taken it off.

Mr. AUSTIN. You loaded it and unloaded it?

Mr. FENDERSON. Yes, sir; loaded it and unloaded it.

The CHAIRMAN. Was that at the house or the Post Office Annex?

Mr. FENDERSON. The Post Office Annex.

The CHAIRMAN. His goods were stored there at the annex some time, were they?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. About how long?

Mr. FENDERSON. That I do not know; I did not keep the time accurately.

The CHAIRMAN. How many loads were there of the household goods?

Mr. FENDERSON. I think about two loads.

The CHAIRMAN. You assisted in loading the goods and unloading them at the dock?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. How long were you engaged in that work?

Mr. FENDERSON. I disrecollect right now. I never kept the time accurately. I do not know how long.

The CHAIRMAN. What is your opinion? How long do you think you were helping in this work?

Mr. FENDERSON. I guess about a couple of hours; such a matter.

The CHAIRMAN. Only about two hours to load and unload them?

Mr. FENDERSON. I guess so; about that.

The CHAIRMAN. Did you say you did not know how long these goods were stored there?

Mr. FENDERSON. I disremember; I could not tell.

The CHAIRMAN. Have you any idea?

Mr. FENDERSON. No; I have not.

The CHAIRMAN. Was it as much as a month?

Mr. FENDERSON. I could not say; I did not take the time down accurately, and I could not say a month or two months or three.

The CHAIRMAN. Did you ever do any other work for Mr. Thomson except to load and unload his household furniture?

Mr. FENDERSON. No, sir.

The CHAIRMAN. Did you ever do any work for any other post office official in a private capacity?

Mr. FENDERSON. Yes; I believe I worked on a lawn tennis.

Mr. SLEMP. You do not play, do you? [Laughter.]

Mr. FENDERSON. No, I do not play; but I worked for some one on that.

The CHAIRMAN. For whom?

Mr. FENDERSON. I do not know; it was several involved in it; I do not know who.

Mr. SLEMP. From whom did you get your orders?

Mr. FENDERSON. From a fellow by the name of Landick, our foreman.

The CHAIRMAN. When was that?

Mr. FENDERSON. That was last May, I believe.

The CHAIRMAN. Do I understand it was on a lawn-tennis grounds, shaping up the ground?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. How long were you engaged in that work?

Mr. FENDERSON. I worked there about three days.

The CHAIRMAN. Who else worked there with you at that time?

Mr. FENDERSON. Another fellow by the name of Joe Graves, I think.

The CHAIRMAN. Anyone else?

Mr. FENDERSON. No; no one else.

The CHAIRMAN. Where was this lawn-tennis ground you worked on?

Mr. FENDERSON. Columbia Heights; that is, up on Fourteenth Street.

The CHAIRMAN. You do not know whose ground; you do not know to whom they belonged?

Mr. FENDERSON. No, sir.

The CHAIRMAN. You were just sent up there to work on these grounds?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. Did you have a leave of absence?

Mr. FENDERSON. I think I did. I think they gave me a leave of absence.

The CHAIRMAN. Who gave you leave of absence?

Mr. FENDERSON. Mr. Landick got it for me, our boss; the one over us gave me a leave of absence, two or three days.

The CHAIRMAN. Did you sign a blank for a leave of absence?

Mr. FENDERSON. I did not.

The CHAIRMAN. How do you know you had a leave of absence?

Mr. FENDERSON. That I do not know, except by his word.

The CHAIRMAN. He just told you to go up there?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. Now, Mr. Fenderson, it was George Landick, jr., was it not, who was a shipping clerk?

Mr. FENDERSON. Yes, sir—a receiving clerk.

The CHAIRMAN. Receiving clerk?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. And it was at his orders that you went up there to do that work?

Mr. FENDERSON. Yes, sir; his orders.

The CHAIRMAN. He told you to go up there?

Mr. FENDERSON. He told me to go up there.

Mr. SLEMP. Did he pay you for it?

Mr. FENDERSON. Yes; he paid me for it.

Mr. SLEMP. He paid you your regular wages, I suppose, for it; or, at least, what would be satisfactory to you?

Mr. FENDERSON. Yes. It was not satisfactory, exactly—yes; it was satisfactory. I did not charge very much; as much as I usually get for working on the outside. He paid me a reasonable price.

The CHAIRMAN. How much did you get?

Mr. FENDERSON. \$5, I think.

The CHAIRMAN. For three days?

Mr. FENDERSON. I think so.

The CHAIRMAN. Do you know that you did?

Mr. FENDERSON. I got \$5, anyhow; I remember that much.

The CHAIRMAN. Was this man Graves who helped you in your work J. E. Graves?

Mr. FENDERSON. Whether he signs his name that way or not, I do not know. I reckon it must be J. E.

The CHAIRMAN. Now, Mr. Fenderson, when was the subpoena served upon you to appear before this committee?

Mr. FENDERSON. About 1 o'clock to-day.

The CHAIRMAN. Have you had any conversation with any post-office official since it has been served?

Mr. FENDERSON. In reference to this?

The CHAIRMAN. Yes.

Mr. FENDERSON. No, sir; I did not know what was going on over here any more than a man in Europe.

The CHAIRMAN. Do you know Mr. Henry Dolan?

Mr. FENDERSON. Yes, sir; I know him.

The CHAIRMAN. What position has he in the Post Office Department?

Mr. FENDERSON. I think he is the acting assistant superintendent.

The CHAIRMAN. The Acting Assistant Superintendent of the Division of Supplies?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. Did he see you at the time this summons was served?

Mr. FENDERSON. He was with your agent that came there.

The CHAIRMAN. And did he not say anything to you at that time?

Mr. FENDERSON. No, sir.

The CHAIRMAN. Did he not say he wanted to see you?

Mr. FENDERSON. No, sir.

The CHAIRMAN. You are sure of that?

Mr. FENDERSON. I am sure. He just called me out, and the gentleman read the summons to me, and he told me I had better go. That is all he said to me.

The CHAIRMAN. And you say this is all the work you have done for any post-office official during working hours of a private character?

Mr. FENDERSON. That is all.

The CHAIRMAN. And you do not know of any other employees who have done work for officials during working hours while on Government pay?

Mr. FENDERSON. I do not know.

Mr. SLEMP. In regard to the storing of furniture and other things down there, I believe it is in the annex, is it not?

Mr. FENDERSON. Yes, sir; the annex.

Mr. SLEMP. Is it customary to have any goods or articles stored there excepting what belongs to the Government?

Mr. FENDERSON. That was the first, and Mr. Thomson's was the last, since I have been there; the first I have seen and the last.

Mr. AUSTIN. I think it is the last you will see.

Mr. SLEMP. Did you go with them down to the dock?

Mr. FENDERSON. I did not; no, sir.

The CHAIRMAN. Did you not say you helped unload the goods?

Mr. FENDERSON. I helped unload when they brought them into the building, and helped load when they went away.

Mr. SLEMP. That would really have been a necessary part of your duties if permission had been given to store those goods down there?

Mr. FENDERSON. I guess so. I was under orders; I do not know.

Mr. SLEMP. Nobody else would have had the right to have been in there, would he, unless he was in Government service, to load or unload?

Mr. FENDERSON. No; I do not think they would.

The CHAIRMAN. Do you know anything about who crated the household goods for Mr. Thomson in the annex?

Mr. FENDERSON. Mr. Byrne, I think.

The CHAIRMAN. I thought you said you did not know of any other employee who had done any work for Mr. Thomson?

Mr. FENDERSON. I did not know you meant that way.

The CHAIRMAN. Any kind, in any way.

Mr. FENDERSON. He did the crating of the household goods there in the annex—Mr. Byrne did that.

The CHAIRMAN. Were you working on the same floor with Mr. Byrne?

Mr. FENDERSON. Yes, sir; we all worked on the same floor.

The CHAIRMAN. So that you could see him engaged in that work?

Mr. FENDERSON. Yes, sir; I could see him engaged in that work.

The CHAIRMAN. Tell the committee what he did with these household goods.

Mr. FENDERSON. He crated them up there with lumber and packed them up there until they were shipped away.

The CHAIRMAN. What kind of lumber did he use?

Mr. FENDERSON. It was pine wood. I forget the dimensions of it; but regulation crating lumber used for crating our chairs.

The CHAIRMAN. Was it the same as is used there for creating supplies in the Post Office Department?

Mr. FENDERSON. To some extent I think it was.

The CHAIRMAN. Do you know anything about where this lumber came from?

Mr. FENDERSON. I do not. I do not know where it came from. I know it came there, but who brought it I do not know.

Mr. SLEMP. Were these goods loaded on Government wagons or on private wagons?

Mr. FENDERSON. You mean the hauling away?

Mr. SLEMP. Yes.

Mr. FENDERSON. The George W. Knox Express.

The CHAIRMAN. And whose wagons hauled them to the annex? Was it a dray or a Government wagon?

Mr. FENDERSON. It was a dray. I forget the name of the firm. It was a different wagon brought them and a different wagon taken them away. I do not think they was Government wagons.

The CHAIRMAN. You say that you did about three days' work on a lawn-tennis court at the orders of George Landick, jr., while you were on Government pay and not on leave of absence?

Mr. FENDERSON. I am not sure whether the Government taken that out of my annual leave or not; I am not sure of that. I did not sign no slip.

The CHAIRMAN. If you did not sign a slip asking for a leave of absence, your time would not be charged against you, would it?

Mr. FENDERSON. It looks like it ought not to have been.

Mr. ALEXANDER. How long did Graves work with you on the lawn-tennis court?

Mr. FENDERSON. I am not quite clear on that, but I know it was a day, anyhow. He worked a day with me. He may have worked another day; I am not sure. I know it was a day.

Mr. ALEXANDER. Did anyone else?

Mr. FENDERSON. No, sir.

Mr. ALEXANDER. Just you two?

Mr. FENDERSON. We two.

Mr. ALEXANDER. He was employed in the same department with you?

Mr. FENDERSON. The same department with me.

Mr. ALEXANDER. And received his orders also from the same man?

Mr. FENDERSON. From the same man; yes, sir.

Mr. ALEXANDER. Was he paid for his service, do you know?

Mr. FENDERSON. I reckon he was; I am not sure.

Mr. ALEXANDER. Do you know whether he was or not?

Mr. FENDERSON. No, sir; I could not swear to that. I was paid for mine—that is, part of it.

Mr. ALEXANDER. Did he make any written request for leave of absence?

Mr. FENDERSON. That I could not say.

Mr. ALEXANDER. Not to your knowledge?

Mr. FENDERSON. No, sir.

Mr. ALEXANDER. You did not?

Mr. FENDERSON. I did not. They granted my leave, and told me to go out and go to work. I did not sign no leave slip or anything of that kind.

Mr. SLEMP. Would you have gone up there to do that work if you had thought you were on leave of absence?

Mr. FENDERSON. No, sir; I would lose.

Mr. SLEMP. Then you just accepted their statement?

Mr. FENDERSON. Yes, sir.

Mr. SLEMP. That you were on leave of absence. Did you authorize them to sign any application for you?

Mr. FENDERSON. No, sir; I did not know anything about that; it was up to them.

Mr. SLEMP. Have you ever made any application for leave of absence at all in your service down there?

Mr. FENDERSON. They do now.

Mr. SLEMP. Have you, I say?

Mr. FENDERSON. Oh, yes; a certain number of days.

Mr. SLEMP. You are in the habit of doing that, are you?

Mr. FENDERSON. Yes, sir. When we want to get off for a week or 10 days, we make out an application for a leave of absence for a certain time—did then. But now we have to put in a slip for one or two days, an hour, or such a matter.

Mr. SLEMP. At that time would you go to your superior officer and make a verbal suggestion to him, and in that way get your leave of absence?

Mr. FENDERSON. Yes, sir.

Mr. SLEMP. So it was not necessary, at that time, for you to put in that slip?

Mr. FENDERSON. No; they did not request it of me. I was acting under orders; I did not know.

The CHAIRMAN. As a matter of fact, working in the capacity that you do, is it not your custom, and is not the policy of the employees working in like capacity, to obey the orders of your superior officer, regardless of what they may be?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. If they tell you to do a thing, you do it, whether it is in the department work or outside?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. What did Mr. Landick say to you when he told you to go up and work on this tennis court?

Mr. FENDERSON. It has been so long now—it has been a year or so—I am not clear along that line.

The CHAIRMAN. Did he tell you he wanted you to do this work, or did he order you to do this work?

Mr. FENDERSON. No; he did not tell me; he ordered me to do it.

The CHAIRMAN. Do you know any of the parties who are interested in that tennis court?

Mr. FENDERSON. I do not, unless a clerk, the fellow with him, by the name of Mr. Templeton.

The CHAIRMAN. Is he a post-office employee?

Mr. FENDERSON. Yes, sir.

The CHAIRMAN. Where is he employed?

Mr. FENDERSON. He is employed in the same division I am.

The CHAIRMAN. Is he a white man?

Mr. FENDERSON. Yes, sir.

Mr. ALEXANDER. You and Graves and Templeton—was Templeton there also helping?

Mr. FENDERSON. No; he was not there helping. Neither one of these gentlemen was there helping; they came after office hours in

the afternoon, and assisted in doing things—along about half past 5, or 5 o'clock.

Mr. ALEXANDER. As I understand, they were not there all day?

Mr. FENDERSON. No, sir.

(The witness was excused.)

TESTIMONY OF EDWARD WALKER (Colored).

The witness was duly sworn by the chairman.

The CHAIRMAN. Give your name and address.

Mr. WALKER. Edward Walker; 1210 Second Street SE.

The CHAIRMAN. Mr. Walker, are you an employee in the Post Office Department?

Mr. WALKER. Yes, sir.

The CHAIRMAN. In what division?

Mr. WALKER. Post Office Supply Division.

The CHAIRMAN. How long have you been employed in that division?

Mr. WALKER. I have been there four years the first of this month, the 1st of June.

The CHAIRMAN. Is that the first service you had in the Post Office Department?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Did you assist in any way in the crating, shipping, or transferring of the household goods of Mr. G. G. Thomson, who was formerly the superintendent of that division?

Mr. WALKER. Yes, sir.

The CHAIRMAN. What did you do?

Mr. WALKER. I helped to load them.

The CHAIRMAN. Where?

Mr. WALKER. On the wagon.

The CHAIRMAN. Where did you help to load them, at his house?

Mr. WALKER. No, sir; at the building.

The CHAIRMAN. At the annex?

Mr. WALKER. Yes, sir.

The CHAIRMAN. You helped to load them and unload them when they were shipped away?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Were those goods stored there in the annex some time?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Do you know how long?

Mr. WALKER. No, sir; not exactly.

The CHAIRMAN. About how long?

Mr. WALKER. As near as I could remember, I suppose two or three months.

The CHAIRMAN. About how long did it take you to help to unload and load the household goods?

Mr. WALKER. I think we were somewhere very near a day taking it in, and very near that long shipping it out, besides the time we were crating it.

The CHAIRMAN. About how many loads did he have?

Mr. WALKER. I think, as near as I can remember, it was five or six loads.

The CHAIRMAN. And you helped to receive them and store them away, and then you helped to get them out again and load them on the wagon to ship them away?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Did you help in any way to crate those goods?

Mr. WALKER. I helped to pack them, moved them out of the way while the other gentleman was crating them. I did not crate any.

The CHAIRMAN. Who crated them?

Mr. WALKER. Mr. Byrne.

The CHAIRMAN. How much did you help Mr. Byrne in the crating?

Mr. WALKER. I would just go down after he got them crated and move them out of the way so that he would have room to crate others.

The CHAIRMAN. Those goods were crated there in the Post Office annex by Mr. Byrne, were they?

Mr. WALKER. Yes.

The CHAIRMAN. Do you know what sort of material he used to crate those goods?

Mr. WALKER. I think it was dressed white pine.

The CHAIRMAN. Do you know anything about where that material came from?

Mr. WALKER. No, sir; not exactly.

The CHAIRMAN. Was it the same sort of material as is used in the annex to crate supplies?

Mr. WALKER. Yes, sir; the same kind we have been using there putting in shelves.

The CHAIRMAN. The same sort of material you had used there?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Do you know where this came from?

Mr. WALKER. Not exactly, for there is two mills that have been furnishing material there, and I do not know which one it was—Mr. Smith and Mr. Weigand.

The CHAIRMAN. Do you know who went to the lumber pile in the annex and got the boards and material and took it to Mr. Byrne for his use in crating the goods?

Mr. WALKER. No, sir.

The CHAIRMAN. Do you know whether or not this lumber was taken from a pile of lumber that was brought to the annex to crate the goods?

Mr. WALKER. I do not know, sir, whether it was fetched there for him. I suppose it was fetched there for that purpose, because I helped to unload it and take it to the second floor and pile it up. But I did not know what they were going to use it for. I thought they were going to use it for shelving, as they had been doing.

The CHAIRMAN. Was that all the work you did for Mr. Thomson in a private capacity on Government time and pay?

Mr. WALKER. No, sir. I did some work on lawn tennis.

The CHAIRMAN. You worked on the lawn tennis court, too?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Whose lawn tennis court?

Mr. WALKER. I do not know whose it was, but I know where it was.

The CHAIRMAN. Who ordered you to go to help in that work?

Mr. WALKER. Mr. Landick.

The CHAIRMAN. Where was the tennis court?

Mr WALKER. It was on Fourteenth Street.

Mr. SLEMP. Columbia Heights?

Mr. WALKER. I think so; just beyond the fire department.

The CHAIRMAN. Who else helped in that work?

Mr. WALKER. There was not anybody along with me the day I was up there.

The CHAIRMAN. How long were you up there?

Mr. WALKER. I worked there two days.

The CHAIRMAN. Did you have a leave of absence when you went there and worked on the tennis court?

Mr. WALKER. Yes, sir; he paid me for the time I was up there.

The CHAIRMAN. But did you also receive pay from the Government while you were doing that work?

Mr. WALKER. Yes, sir; I think so.

The CHAIRMAN. How much did he pay you?

Mr. WALKER. He paid me \$3—\$1.50 each day.

The CHAIRMAN. Do you know of any other post-office employees who worked on that tennis court?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Who?

Mr. WALKER. Fenderson worked up there.

The CHAIRMAN. Anybody else?

Mr. WALKER. Joe Graves worked up there.

The CHAIRMAN. Anybody else?

Mr. WALKER. That is all that I know of.

The CHAIRMAN. Do you know of any other post-office employee who worked for Mr. Thomson, or any other post-office official, in a private capacity?

Mr. WALKER. No, sir.

The CHAIRMAN. That is all you know?

Mr. WALKER. That is all I know.

Mr. SLEMP. Did I understand you to say you were on leave of absence the days you worked at the tennis court?

Mr. WALKER. No, sir; I do not think I was.

Mr. SLEMP. I thought you stated a few moments ago you thought you were?

Mr. WALKER. The day I was on the lawn tennis?

Mr. SLEMP. Yes.

Mr. WALKER. Yes, sir.

Mr. SLEMP. You were on leave of absence?

Mr. WALKER. Yes, sir.

The CHAIRMAN. You say you were on a leave of absence; what do you mean by that?

Mr. WALKER. I asked off that day.

The CHAIRMAN. You asked off; did you sign any blank asking for leave of absence?

Mr. WALKER. No, sir; we did not sign any blanks during that time.

The CHAIRMAN. This Mr. Landick asked you to go up there and work?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Is that the same way you get your leave of absence when you want a few days off to be taken out of your annual leave?

Mr. WALKER. Not now.

The CHAIRMAN. At that time was it?

Mr. WALKER. Yes, sir; at that time it was.

The CHAIRMAN. You do not know, then, whether or not this time that you worked on the tennis court was taken out of your leave?

Mr. WALKER. I did not miss it out of my salary.

Mr. McCoy. Did you take your full leave of absence that year, outside of these days?

Mr. WALKER. You see, I never have been taking my leave only just by days at a time, because they never would allow us off only a few days at a time, because there is only three on the floor where I work, and they never would allow us off any more than three days at a time.

Mr. SLEMP. You stated a moment ago that you received pay from the Government for this time up there.

Mr. WALKER. Yes, sir.

Mr. SLEMP. Under the law you would be entitled to that if you were on leave of absence?

Mr. WALKER. Yes, sir; I suppose so.

The CHAIRMAN. Is it the practice of the superior officers, your chiefs, to order employees serving in a capacity similar to your own to go outside and do private work?

Mr. WALKER. Yes, sir.

The CHAIRMAN. And when you are ordered to go you feel it is your duty to go?

Mr. WALKER. Yes, sir.

The CHAIRMAN. Do you know of any other employees who have been sent out to do work similar to this, or of a private nature?

Mr. WALKER. No, sir.

The CHAIRMAN. Is it, as a matter of fact, simply an understanding you have there among the employees that when you are told to go out you go, without asking any questions?

Mr. WALKER. Yes, sir; that is the way we do it.

Mr. SLEMP. Have you actually gone out to do private work for an official of the Government unless you had a leave of absence?

Mr. WALKER. No, sir; no more than what I did for Mr. Thomson during his term. I never was out to do any work.

The CHAIRMAN. What relation does Mr. Landick hold to Mr. Thomson? Did he hold a close relationship to him? Was he a sort of a supervisor of his work?

Mr. WALKER. He was just a foreman on the floor that I was on; he was a foreman of three of us.

The CHAIRMAN. He was your foreman?

Mr. WALKER. Yes, sir.

Mr. ALEXANDER. Where is he now?

Mr. WALKER. He is at Station G, on G Street, between Sixth and Seventh.

Mr. ALEXANDER. Landick is?

Mr. WALKER. Yes, sir.

Mr. ALEXANDER. Doing what?

Mr. WALKER. I do not know what he is doing over there. He has been over there about two months now—a little over two months.

Mr. ALEXANDER. As a Government employee, you are getting \$60 a month?

Mr. WALKER. No, sir.

Mr. ALEXANDER. How much?

Mr. WALKER. \$55.

Mr. ALEXANDER. And you got from Landick \$3, I believe you said, for two days' work?

Mr. WALKER. Yes, sir.

Mr. ALEXANDER. \$1.50 a day?

Mr. WALKER. Yes, sir.

Mr. ALEXANDER. That was less pay than you were getting from the Government, was it not?

Mr. WALKER. Yes, sir; but a very little, I think.

Mr. ALEXANDER. You count 30 days. Do you work 6 days in the week?

Mr. WALKER. Yes, sir.

Mr. SLEMP. If I understand, you got that in addition to what you were getting from the Government, because you were on leave of absence?

Mr. WALKER. Yes, sir.

Mr. ALEXANDER. Let me understand about this leave of absence. How many days off did you have last year?

Mr. WALKER. Thirty days.

Mr. ALEXANDER. In addition to these days that you worked up there on the tennis court?

Mr. WALKER. No, sir; with those days.

Mr. ALEXANDER. It takes those 2 days to make the 30 days?

Mr. WALKER. Yes, sir; with those days.

Mr. ALEXANDER. Are you sure of that?

Mr. WALKER. Yes, sir. They kept time. That was all the time they give me.

Mr. ALEXANDER. I say, you are sure that these two days were included in your leave of 30 days?

Mr. WALKER. Yes, sir.

The CHAIRMAN. How do you know? How are you sure about it?

Mr. WALKER. We have a sheet with black marks on it; just for every day you are off we mark that—every day you are off you are marked, and I am not sure, but I think my sheet is at the building now.

The CHAIRMAN. Have you examined that recently, this year?

Mr. WALKER. No, sir; I have not examined it this year.

The CHAIRMAN. Have you talked with anyone connected with the Post Office Department since you received this subpoena about what evidence you might be called upon to give?

Mr. WALKER. No, sir.

The CHAIRMAN. You have not had a conversation with anyone?

Mr. WALKER. No, sir.

The CHAIRMAN. No one has said anything to you about it?

Mr. WALKER. No, sir.

Mr. ALEXANDER. You say since he was subpoenaed. Have you in the last day or two?

Mr. WALKER. No more than Joe Graves—I heard some of them say after he had been over here; he works on the fourth floor—that he had been over here, and there was something going on, and I asked him what it was, and he said he could not say what it was. I only saw him late yesterday evening.

Mr. ALEXANDER. Mr. Thomson did not say anything, or Mr. Weed, y official?

Mr. WALKER. No, sir.

The CHAIRMAN. Mr. Henry Dolan did not say anything, did he?

Mr. WALKER. No, sir.

The CHAIRMAN. Did Mr. Landick?

Mr. WALKER. No, sir.

Mr. SLEMP. Was the work on that tennis court done last year, in 1910?

Mr. WALKER. Yes, sir; last year.

Mr. SLEMP. About May?

Mr. WALKER. Yes, sir; I think it was somewhere near along in there, as near as I can remember.

(The witness was excused.)

TESTIMONY OF GEORGE W. SMITH.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your name and address.

Mr. SMITH. George W. Smith; 2205 Flagler Place.

The CHAIRMAN. Mr. Smith, are you an employee in the Post Office Department?

Mr. SMITH. Yes, sir.

The CHAIRMAN. In what division, and in what capacity?

Mr. SMITH. In the Division of Supplies, in charge of the freight traffic.

The CHAIRMAN. How long have you been so employed?

Mr. SMITH. In charge of the freight traffic four years; in the division seven years in September.

The CHAIRMAN. What, if anything, did you have to do with the shipment of the household goods of Mr. G. G. Thomson?

Mr. SMITH. Where to; to Texas?

The CHAIRMAN. Yes.

Mr. SMITH. Nothing whatever.

The CHAIRMAN. You did not make arrangements with the Knox Express Co. to bring the goods to the annex?

Mr. SMITH. No, sir; I was on vacation.

The CHAIRMAN. Do you know anything about who did make that arrangement?

Mr. SMITH. I could not hardly say who did make it because I was on vacation at the time, and when I came back his goods were gone.

The CHAIRMAN. They were stored some time, were they, in the Post Office Annex?

Mr. SMITH. I think their intention was to store them there; whether he did or not I could not say; whether he hauled them direct to the wharf I could not say.

The CHAIRMAN. How long were you sick and absent?

Mr. SMITH. I was on leave; I was not sick. I was just on vacation.

The CHAIRMAN. You have no knowledge whatever, then, of the shipment of the household goods?

Mr. SMITH. None whatever. I do not know what they weighed or what they consisted of or anything else.

The CHAIRMAN. Do you know anything about any employees in the Division of Supplies doing work for Mr. Thomson at his house, crating the goods?

Mr. SMITH. Nothing except what I have heard; nothing except hearsay among some of them, that they were out there; that a man by the name of Wilson was out there crating.

The CHAIRMAN. Any other employee?

Mr. SMITH. No; I do not know of any other name at all. His was the only name. Of course, there may have been others there that I knew nothing about, because they are working as laborers on other floors, and I am on the fifth floor.

The CHAIRMAN. You never were asked to do any work of a private nature for any post-office officials, were you?

Mr. SMITH. Not unless they just simply asked me a rate on something. That is asked me nearly every day by somebody who wants something shipped to their home. That is a general, common thing among employees, to know rates on different stuff.

The CHAIRMAN. You do not know anything about who paid for the transfer of these household goods or who paid the freight on the household goods?

Mr. SMITH. No, sir; I do not.

The CHAIRMAN. Do you know an employee by the name of Thomas D. Crow?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Is he in the same division?

Mr. SMITH. The same division.

The CHAIRMAN. You do not know whether he knew anything about this transaction or not, do you?

Mr. SMITH. I could not say. He may and he may not.

The CHAIRMAN. Is Charles F. Boss employed in the same division?

Mr. SMITH. Yes, sir; the same division.

Mr. ALEXANDER. You say you are in the Freight Traffic Division?

Mr. SMITH. No; in the Supply Division, in charge of the freight section. I handle all the transportation, whether it is freight, passenger, or express.

Mr. ALEXANDER. Describe particularly to the committee just what your duties are.

Mr. SMITH. I have charge of the whole entire business relating to the transportation of the supplies.

Mr. ALEXANDER. Of post-office supplies?

Mr. SMITH. Not the entire supplies, because, you know, it is separated. The First Assistance has salaries and allowances, having an equipment of their own; the Second Assistant has the mail, inspection, and equipment, with an equipment of his own; the Third Assistant, handling the stamps and the paper for stamps, has a bureau of his own, handled for adjustment through the Second Assistant's office. But the Division of Supplies I have entire charge of. I organized the service four years ago last February.

Mr. ALEXANDER. You say the First Assistant has a bureau and the Second Assistant a bureau. Do the other assistants have bureaus also?

Mr. SMITH. Yes, sir; except the appropriation covering the stamp department is in the Second Assistant's appropriation.

Mr. ALEXANDER. Describe to the committee just how these shipments are made, and the shipping bills, the way bills, and how they are made out.

Mr. SMITH. They are in four copies, prepared and printed by the Government Printing Office, what we call sets, consisting of four copies; first is the original, second is the shipping order, which goes to the transportation company as their instructions to ship; the third is a memorandum copy, and the fourth is a memorandum copy, both exactly alike, one prepared for the consignor, if he is in the field, for his office record, and the next one to be sent to our division as a permanent record of the shipment. Of course the shipments we make we only use the three copies, because we have our own memorandum.

Mr. ALEXANDER. Then, is it necessary now that all these bills should be made out and these bureaus maintained?

Mr. SMITH. I have always thought that there ought to be only one transportation of freight and one bill of lading, instead of five as they are using now.

Mr. ALEXANDER. Why do you think that? Tell the committee.

Mr. SMITH. I think it would simplify matters considerably with the transportation companies.

Mr. ALEXANDER. Would it militate against the service—that is, the proper handling of the goods?

Mr. SMITH. I can not see how it could, because each man would have a bill of lading just the same as our agents do in the field. They could be furnished with pads containing 100 sets, or as many as they wished.

Mr. ALEXANDER. That looks to be a very cumbersome way of transacting the business, does it not?

Mr. SMITH. You mean so many separate accounts?

Mr. ALEXANDER. Yes.

Mr. SMITH. The way the appropriations are separated I do not see how they could possibly avoid it unless they consolidated them and brought them under one head.

Mr. ALEXANDER. If they were brought under one head, could not the work be done just as well, and at a saving?

Mr. SMITH. Oh, there is no doubt of that.

Mr. ALEXANDER. What would be the saving?

Mr. SMITH. That would be hard to estimate, just offhand.

Mr. ALEXANDER. Do they have to have bookkeepers to take care of these different accounts?

Mr. SMITH. Oh, they have to have bookkeepers to take care of the accounts.

Mr. ALEXANDER. About how many?

Mr. SMITH. I do not know exactly how many are in the other bureaus; in fact, I do not know anything about the office force, except one man's name. I know one man's name in the Second Assistant's office. But as to the number of men they have employed, I do not know. I know my force consists of three men.

Mr. ALEXANDER. Is the work in your bureau more than in the others?

Mr. SMITH. We do not expend as much money, of course, as the Second Assistant's office; but we ship a greater class of commodities, because our stuff consists of everything, from a pin up to the largest article that is used in the post offices throughout the country. Of

course it is packed and prepared for shipment, and some of it shipped in original packages.

Mr. ALEXANDER. Do you not think if all those bureaus were consolidated in one, and all the shipping done under the supervision of one chief or superintendent, it could be as well done, and much more economically?

Mr. SMITH. I do not see any reason why it should not be. I can not see any reason, because the transportation companies would not have to separate their accounts; the number of accounts would evidently be reduced.

Mr. ALEXANDER. In other words, you have a separate account for each bureau?

Mr. SMITH. Yes, sir. The bureaus are designated on the bills of lading by serial lettering, A, B, C, and D, and the Division of Equipment issues a blank using the word "Equipment" ahead of their numbers.

Mr. ALEXANDER. And the railroad companies have to keep separate accounts?

Mr. SMITH. The railroad companies have to keep separate accounts; and the instructions on the vouchers are that they must render separate accounts for each serial letter.

Mr. ALEXANDER. But if all these supplies going out to different post offices in the country were shipped from one bureau there would only be one set of bills of lading and one set of accounts in the department and one set of accounts kept by the railroad companies?

Mr. SMITH. That is right.

Mr. ALEXANDER. In other words, it would diminish the work proportionately. Now, there are four, and it would all be consolidated in one?

Mr. SMITH. Yes, sir.

Mr. ALEXANDER. And the three is a duplication of work, largely, is it not?

Mr. SMITH. A great portion of it is. A great portion of it is necessary under the present arrangement. There is no way to avoid it.

Mr. ALEXANDER. If the appropriation bills were so framed that this work might be done under one bureau, do you think that would result in economy?

Mr. SMITH. Oh, I could not see any reason why it would not be economy.

Mr. ALEXANDER. And better business administration?

Mr. SMITH. Sure; highly appreciated, undoubtedly, by the transportation companies, because it would avoid the necessity of keeping so many accounts in their offices.

Mr. McCoy. How about the Government; would it be a decided saving to the Government in the expenses?

Mr. SMITH. It should. It should reduce the forces to do the work—that is, the clerical work.

Mr. McCoy. Could one man superintend all the shipments?

Mr. SMITH. No, sir; one man could not superintend all the shipments; but one man in charge of the work could handle the entire force that did have charge of the shipments; that is, one chief of a section. It would not be necessary to have four or five, or two or three, as designated now under the present system. Of course, I do

not know how many men are assigned especially to that work in the other divisions.

Mr. McCoy. Those other bureaux, you say, ship goods?

Mr. SMITH. Oh, yes, sir.

Mr. McCoy. Are they a different class of goods than those shipped by your bureau?

Mr. SMITH. Of a different nature entirely.

Mr. McCoy. What are they? Enumerate the classes that are shipped by the other three bureaux besides your own.

Mr. SMITH. The first assistant has control over the City Delivery. There is a certain proportion of the stuff that is handled exclusively by him, which includes the motors and fans, and such stuff as that, and canceling machines, as used in the large offices. That is handled by the Salary and Allowance Division. The Second Assistant has what they call the Mail Equipment, including mail locks, and everything that pertains to a mail sack, except the city delivery stuff. That is, I do not mean the city delivery stuff is handled by Salary and Allowances, but the city delivery satchels; that is handled by our division. We handle all the supplies, twine, stationery, baskets, trucks, and all that class.

Mr. McCoy. You have enumerated three, I think. What is the fourth division?

Mr. SMITH. The Third Assistant is the stamp paper exclusively. Stamp paper, envelopes, and post cards prepared in the service, are shipped on the serial C.

Mr. McCoy. That is rather a different class of goods from any you have enumerated so far.

Mr. SMITH. Yes, sir.

Mr. McCoy. It is more valuable; it has the stamps on.

Mr. SMITH. Yes. It is shipped just the same as under bond. It is shipped in a departmental locked car.

Mr. McCoy. That goes by express, does it not; not by freight?

Mr. SMITH. No, sir; by fast freight, under a departmental lock; a specially prepared lock.

Mr. McCoy. Do you know whether each one of these bureaux has a man in charge of it doing work similar to the work you do?

Mr. SMITH. I think the First and Second, possibly, have; but I do not think the Third has anyone, because the transportation is paid out of the appropriation for the Second Assistant's office, and for that reason I do not think they have any except somebody to make the shipment and issue the bill of lading.

Mr. McCoy. You said you had three men under you. Are those three men bookkeepers?

Mr. SMITH. No, sir; one is a clerk and the other is a stenographer.

Mr. McCoy. What is the third?

Mr. SMITH. That is myself; I mean three men in my section.

Mr. McCoy. Two of the men are under you?

Mr. SMITH. Yes, sir.

Mr. McCoy. What does the clerk do? Is he a bookkeeper?

Mr. SMITH. He does the shipping from our division.

Mr. McCoy. You mean he supervises shipments?

Mr. SMITH. He makes the shipments, does the listing. We are on the fifth floor, and the goods are packed on the fourth, and the shipments made from different floors out of stock, original packages, and

it is necessary, of course, to go to all those floors and get the articles that are ready for shipment and list them, and he has a book for that purpose. After he does his listing he does his loading, crating, and routing. Of course we keep a system of routing, the tariffs, and a card system, and all that sort of thing. After he gets it routed he goes and loads the article, either in the car right at the door, or else he gets it in shape so that it can be loaded by the express wagons, by the Knox Express wagon, for the boat or the Pennsylvania depot. Then he goes to the machine and makes out his bills, just as I have explained, three sets instead of four, and figures up the transportation on it, prepares data for entering on the daily statement to be charged against the appropriation.

Mr. McCoy. Is his time fully occupied every day on that work?

Mr. SMITH. Yes, sir; sometimes he can not get through with it.

Mr. McCoy. So that, if there were a consolidation of the different shipping departments, he could not care for the additional work?

Mr. SMITH. No, sir; he could not do that. He could do the billing part of it all right if we put other men on the listing.

Mr. McCoy. Do you have a bookkeeper in that particular department?

Mr. SMITH. No, sir; the bookkeeping is assigned to a bookkeeping section.

Mr. McCoy. Where is that section?

Mr. SMITH. Right in the same division.

Mr. McCoy. In the same building?

Mr. SMITH. Same building, same floor.

Mr. McCoy. Does that bookkeeping section take care of any bookkeeping except in your section?

Mr. SMITH. Oh, yes; it takes care of the bookkeeping of the entire division.

Mr. McCoy. That is, including the shipments made by these other people?

Mr. SMITH. No, sir; just the entire Division of Supplies; it attends to all the bookkeeping of the Division of Supplies, but not the other bureaus.

Mr. McCoy. Then, do I understand rightly that your division is in the Bureau of Supplies?

Mr. SMITH. My section is.

Mr. McCoy. I guess I will have to get you to explain what a bureau is and what a division is and what a section is.

Mr. SMITH. They call it the "Division of Supplies," and the word oftentimes is used as the "Bureau of Supplies;" but on the organization card of the department——

Mr. McCoy. It is called either a bureau or a division?

Mr. SMITH. On some of the reports they head it "Bureau;" but on the organization card, printed at the Post Office Department, it is headed as "Division of Supplies."

Mr. McCoy. What is a section, then?

Mr. SMITH. Each section is a slight division in that main division that does a certain class of work. For instance, I am in the third section. We handle everything that pertains to transportation.

Mr. McCoy. In the third section of the Division of Supplies?

Mr. SMITH. Yes, sir.

Mr. McCoy. What other sections are there in the Division of Supplies?

Mr. SMITH. We have filing, which takes care of the files of the entire division—correspondence, requisitions, and so forth. Then there is the office appliance and printing.

Mr. McCoy. These are each separate sections?

Mr. SMITH. Yes, sir; office supplies, printing, bookkeeping, money orders, official envelopes, and shipping. The shipping is where all packing is done and requisitions are filled.

Mr. McCoy. You say money orders; do you mean the blanks for money orders?

Mr. SMITH. Yes, sir.

Mr. McCoy. Are they shipped out of that section?

Mr. SMITH. No, sir; they are shipped to our section, and all requisitions that call for money orders come in there, and orders on the Public Printer are prepared in that section and forwarded to the Public Printer, and from the Printing Office they go to the consignees by registered mail.

Mr. McCoy. You take these other bureaus—I think you call them—from which goods are shipped; are they in the same building with you?

Mr. SMITH. Some of them are. The mail-bag repair shop is under the Division of Equipment; it is really equipment. The Salaries and Allowances have their repair shop over there, those two, and I do not know whether it is termed the Division of Stamps or the Stamp Division. It has charge of the requisitions and book accounts of the Third Assistant's office. It is in a three-story building adjoining us, with just an alley between the two buildings.

Mr. McCoy. Is the bookkeeping for those other shipping departments done in the same section that your bookkeeping is done in?

Mr. SMITH. In the same building.

Mr. McCoy. I mean, in the same section?

Mr. SMITH. No, sir; not in the same section. It comes under another division.

Mr. McCoy. Each one of these shipping departments—if that is the proper name for them—has a separate bookkeeping section in it?

Mr. SMITH. Yes, sir.

Mr. ALEXANDER. Now, as I understand, you think it would be better administration to have these appropriations for pay of freight, and expressage on post cards, stamped envelopes, newspaper wrappers, and empty mail bags, \$375,000, which is in the appropriation bill for the fiscal year ending June 30, 1911, as made for the office of the Second Assistant Postmaster General, and the appropriation of \$110,000 for the office of the Fourth Assistant Postmaster General, to defray the expenses incident to the shipment of supplies, including hardware, boxing, packing, freight, and the pay of one carpenter and three laborers for time in connection therewith—should be consolidated, and this shipping done under the supervision of one bureau, with one set of bills of lading, and one set of books; you think it would make it a simpler method of administration, a simpler method of keeping accounts, both by the Post Office Department and by the railroad companies. Is that your notion?

Mr. SMITH. Yes, sir.

Mr. ALEXANDER. And would save money, too?

Mr. SMITH. Undoubtedly. I can not see why it should not.

Mr. McCoy. Do you know who Dr. Cleveland is—the man who is working under the President with the idea of systematizing the work of the various departments?

Mr. SMITH. I know there is a gentleman there by that name preparing data; but what he is doing I can not say.

Mr. McCoy. Has he been in your department down there?

Mr. SMITH. There has been data prepared by all the divisions for him. Of course, that is prepared by the chiefs of divisions and of bureaus.

The CHAIRMAN. You ship out some post-office supplies, then, by freight, do you not?

Mr. SMITH. Yes, sir; a great quantity of them.

The CHAIRMAN. And when you ship supplies by freight you always pay the freight, do you? It is always prepaid?

Mr. SMITH. No, sir; not a cent of money is handled.

The CHAIRMAN. Where are these supplies shipped to?

Mr. SMITH. To all points in the United States.

The CHAIRMAN. And the freight follows?

Mr. SMITH. No, sir; the bill of lading is their voucher for settlement.

The CHAIRMAN. But the freight must be paid by the——

Mr. SMITH. By the Government.

The CHAIRMAN. At the other end of the line?

Mr. SMITH. No, sir; it is right here in Washington.

The CHAIRMAN. That is what I want to know. The freight is paid here by the Government before the goods go out?

Mr. SMITH. No, sir; they render their vouchers. This bill of lading, the original copy, after it is signed by the transportation company, is mailed to the consignee, and when he gets that there is a voucher prepared in the lower right-hand corner, called "Consignee's certificate of delivery." He signs that and delivers the bill of lading to the agent at destination. That agent sends it to his auditor as cash; the auditor prepares the departmental voucher and sends to the Fourth Assistant's office, Division of Supplies. Then it is checked, journaled by the bookkeeping department, and forwarded to the Auditor for the Post Office Department, and he draws the warrant.

The CHAIRMAN. Just tell the committee, if you should desire to ship some supplies, say, to Austin, Tex., how you would ship those supplies and how the freight charges would be paid.

Mr. SMITH. We would bill it on this Government bill of lading; we would put it in the car or on the boat—the car is easiest for us. We load it in the car right at our platform at the door, and the bill of lading is handed to the Baltimore & Ohio Railroad, and they sign it and return it to us. We fill in what is called the consignor's certificate, place a dray ticket with it, and send it to the consignee at the post office at Austin, Tex. On the arrival of the shipment, he checks it with the articles in the body of the bill of lading to see that he gets everything in his bill. Then, if he does, he gets the consignee's certificate of delivery and delivers it to the agent right at that point.

Mr. McCoy. The agent of the railroad?

Mr. SMITH. Yes, sir; of the transportation company, whether steamer line or railroad.

The CHAIRMAN. Do you ship supplies to any persons except postmasters?

Mr. SMITH. Not on the Government bill of lading.

The CHAIRMAN. That is all.

Mr. SMITH. That, I think, is illegal.

(The witness was excused.)

(Thereupon, at 4.40 o'clock p. m., the committee adjourned until to-morrow, Friday, June 16, at 10 o'clock a. m.)

COMMITTEE ON EXPENDITURES
IN THE POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Saturday, June 17, 1911.

AFTERNOON SESSION.

The committee reconvened, pursuant to the taking of recess, at 3 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, McCoy, Austin, Slemm, and Towner.

TESTIMONY OF MR. JOSEPH HENRY McALLISTER.

The witness was duly sworn by the chairman.

The CHAIRMAN. State your name in full and your city residence.

Mr. McALLISTER. Joseph H. McAllister; 311 I Street NE.

The CHAIRMAN. Mr. McAllister, you are in the employ of the Post Office Department at this time?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. In what division, and in what capacity?

Mr. McALLISTER. In the Division of Supplies; clerk in charge of the shipping section.

The CHAIRMAN. How long have you been so employed?

Mr. McALLISTER. I have been in the Post Office Department eight years the 1st of July.

The CHAIRMAN. How long have you been in the Division of Supplies?

Mr. McALLISTER. This fall it will be four years.

The CHAIRMAN. What do you know, Mr. McAllister, about the crating and shipment of Mr. G. G. Thomson's household goods some time during last year?

Mr. McALLISTER. Nothing.

The CHAIRMAN. You do not know anything about any boxes having been sent up from the Post Office Annex to his residence?

Mr. McALLISTER. No, sir.

The CHAIRMAN. You do not know that six crates or boxes were sent up from the Post Office Annex to his residence?

Mr. McALLISTER. No, sir.

The CHAIRMAN. What do you know about household goods having been crated in the annex for Mr. Thomson?

Mr. McALLISTER. I do not know that they were, but from hearsay I understand they were crated on the second floor.

The CHAIRMAN. By whom?

Mr. McALLISTER. By Mr. Byrne.

The CHAIRMAN. Do I understand that Mr. Byrne did crate his household goods there in the Post Office Annex?

Mr. McALLISTER. That is the understanding among the employees; yes, sir.

The CHAIRMAN. That was talked among the employees?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. But you did not see Mr. Byrne engaged in that work?

Mr. McALLISTER. No, sir; I did not.

Mr. McCoy. Did you ever see the goods there?

Mr. McALLISTER. No, sir.

Mr. McCoy. You do not know whether or not they were stored there for some time?

Mr. McALLISTER. No, sir. You see, my duties are on the fourth floor, and I do not have any occasion to go down there.

Mr. ALEXANDER. You say your duties are on the fourth floor?

Mr. McALLISTER. Yes, sir; where all the packing is done.

The CHAIRMAN. You say, then, that you did not send six boxes, or more or less, from the Post Office Annex to Mr. Thomson's residence in this city, by a Post Office Department wagon?

Mr. McALLISTER. No, sir.

The CHAIRMAN. Have you had any conversation with Mr. Thomson, or any other superior officer, during the past few days about this investigation?

Mr. McALLISTER. No, sir.

The CHAIRMAN. You knew nothing about it?

Mr. McALLISTER. No, sir; not until the man came after me this morning.

The CHAIRMAN. You had not seen anything about it in the papers?

Mr. McALLISTER. In the newspapers I saw of it; yes, sir.

The CHAIRMAN. Then you knew something about it?

Mr. McALLISTER. I mean, an official or anybody telling me anything about it.

Mr. McCoy. What are your duties in the Supply Division?

Mr. McALLISTER. Overseeing the packing. When the requisitions come in I distribute them among the different cases, then I see that they are properly wrapped and properly packed, and then just lay them and leave them there for the freight man to handle.

Mr. SLEMP. You have nothing to do, then, with the crating of supplies, or anything of that kind?

Mr. McALLISTER. No, sir.

Mr. SLEMP. You lay them out and somebody else takes them and crates them?

Mr. McALLISTER. No, sir; I do not even lay them out. I just hand the requisition to the men in the cases, and they lay them out, and the packers take them and pack them.

The CHAIRMAN. What pay do you receive?

Mr. McALLISTER. Fourteen hundred.

The CHAIRMAN. How long have you been receiving that pay?

Mr. McALLISTER. Since March of this year.

The CHAIRMAN. What did you receive previous to that time?

Mr. McALLISTER. Twelve hundred.

The CHAIRMAN. To what do you attribute this increase of salary or promotion?

Mr. McALLISTER. Efficiency.

The CHAIRMAN. You attribute it to your efficiency?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. And not to the influence of any superior officer?

Mr. McALLISTER. No, sir. I certainly worked hard for it.

The CHAIRMAN. Did you not make a request of any superior officer for that promotion?

Mr. McALLISTER. No, sir; never in my life.

The CHAIRMAN. You were not expecting to receive it?

Mr. McALLISTER. No, sir.

The CHAIRMAN. It came to you as a surprise?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. Is it a civil service position?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. You were appointed on examination?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. Are you transferred on examination?

Mr. McALLISTER. No, sir.

Mr. McCoy. Those transfers are made without examination?

Mr. McALLISTER. Yes, sir. I was transferred from the Fourth Assistant's office to the Division of Supplies.

The CHAIRMAN. Mr. McAllister, you have some knowledge, have you, of some other witnesses having been subpoenaed from your division?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. How did you obtain that information?

Mr. McALLISTER. The process server called me and showed me what he had, and told me to call the men he wanted.

The CHAIRMAN. Who is Mr. Cook? Is there a Mr. Cook employed in your division?

Mr. McALLISTER. He is our present superintendent.

The CHAIRMAN. Did Mr. Cook criticize you for allowing the subpoenas to be served upon employees without first having called his attention to the fact?

Mr. McALLISTER. No, sir.

The CHAIRMAN. He did not say anything to you about it?

Mr. McALLISTER. No, sir.

The CHAIRMAN. He did not call you on the mat, so to speak?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. Did he say anything to you about it at all?

Mr. McALLISTER. Mr. Cook? No, sir.

Mr. ALEXANDER. Did you have any conversation with him in reference to it in any way whatever?

Mr. McALLISTER. No, sir; not a word.

The CHAIRMAN. How about Assistant Superintendent Dolan; did you have any similar talk with him?

Mr. McALLISTER. Yes, sir; all he asked me was that I should send anyone that came to see an employee to the office first.

The CHAIRMAN. Send them to him first?

Mr. McALLISTER. Send them to the office. He did not say to him personally, but to the office. Anyone should go to the office first that wanted to see any employee.

The CHAIRMAN. Was he displeased because the subpoenas had been served without having first been called to his attention, or sent to the office?

Mr. McALLISTER. He was not exactly displeased, but he did not like it. He does not want anyone to see employees during office hours. The office rule has been for anyone who wanted to see an employee to go to the office and they would call the employee to the office.

Mr. ALEXANDER. Does that apply to an official serving a subpoena?

Mr. McALLISTER. I do not believe this man stated what his purpose was when he came.

The CHAIRMAN. Did he tell you not to excuse any more men or to allow more subpoenas to be served without first calling the same to his attention?

Mr. McALLISTER. He told me not to let anyone come down there any more—yes, sir—without calling it to his attention.

The CHAIRMAN. Did he give any reason for that order?

Mr. McALLISTER. No, sir; he just said to send anyone to him.

Mr. ALEXANDER. When these witnesses were subpoenaed were any of them taken before Mr. Dolan or Mr. Cook?

Mr. McALLISTER. No, sir; not to my knowledge.

Mr. AUSTIN. What is your position?

Mr. McALLISTER. Clerk in charge of the shipping section.

Mr. AUSTIN. You did not understand from this statement made by the superintendent that he was opposed to these subpoenas being served on the various clerks there?

Mr. McALLISTER. The superintendent never said anything to me about it.

Mr. AUSTIN. I mean Mr. Dolan. Really, do not all people who come there to transact public business go to the superior officer? Is that not the mode of handling the department?

Mr. McALLISTER. Yes, sir; and they generally call them upstairs and talk to them up there.

Mr. ALEXANDER. Do you know of any employees about the Post Office Department, whether in your division or not, being used by officers outside in their private business in any way whatever?

Mr. McALLISTER. I do not know of any outside; no, sir.

Mr. ALEXANDER. What I mean is this: Do you know of any employees being used by officers in transacting business for or doing work for these officials outside of the Post Office Department?

Mr. SLEMP. Of a private nature.

Mr. McALLISTER. I do not know of any; no, sir; only by hearsay of that furniture.

Mr. ALEXANDER. Did you ever hear of this instance where one of the officials there in your division sent some laborers to prepare a tennis court for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. And another sending an employee to pick cherries a day and a half for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. And Thomson sending employees there to crate his household goods and ship them for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. You never heard of that?

Mr. McALLISTER. No, sir; only, as I say, from hearsay about the building.

Mr. ALEXANDER. Where were you during that time?

Mr. McALLISTER. I was superintending my work.

Mr. ALEXANDER. You are on what floor?

Mr. McALLISTER. The fourth; there are about 20 or more men there, and I order all the stock they send out, and then superintend the floor, too.

Mr. ALEXANDER. Did you hear of it at the time that that was being done?

Mr. McALLISTER. I heard it; yes, sir; among the employees, that he was doing that there on the second floor.

Mr. SLEMP. That Mr. Byrne was?

Mr. McALLISTER. Yes, sir.

Mr. MCCOY. Do you have any time clocks in the Supply Division?

Mr. McALLISTER. No, sir.

Mr. SLEMP. Is Mr. Byrne under your supervision in any way?

Mr. McALLISTER. Yes, sir; he is my assistant.

Mr. SLEMP. You direct his work?

Mr. McALLISTER. Yes, sir.

Mr. SLEMP. Does he report to you every day the work done by the men under him and the number of hours they are in the service?

Mr. McALLISTER. No, sir; he is just assistant when I am away. When I am there Mr. Byrne goes in the case and works, and, of course, I then just watch it all; and when I am away Mr. Byrne watches it all.

Mr. SLEMP. Should you not have known, officially, if Mr. Byrne was doing this work of a private nature?

Mr. McALLISTER. I was just asked to send him to the office, and then that was all I knew of it.

Mr. SLEMP. I say, ought you not to have known that he was sending some of the employees out on private work?

Mr. McALLISTER. I do not know, sir; they never reported to me. The employees never reported to me. I would simply send them up to the office, and if they would send them somewhere I would not know anything about it.

Mr. MCCOY. If Mr. Byrne had been away two or three days, would it not ordinarily have been a subject of inquiry by you where he was, and why he was not doing the work which you directed?

Mr. McALLISTER. The superintendent's office, you see, had ordered him to do some work, and I would not inquire; no, sir. I supposed he was still with them.

The CHAIRMAN. You are acquainted with Mr. Byrne?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. What do you say as to his reputation for truthfulness?

Mr. McALLISTER. I should think it was all right.

Mr. SLEMP. Your record down there at the department has had what grade—excellent?

Mr. McALLISTER. When that list came out the 17th of March it said, "Employees promoted for efficiency," and I was in the list. That is the only way I have had of seeing whether it was efficient, or good, or what it was. I could not tell the grade. But I have handled all that work by myself ever since I have been there.

The CHAIRMAN. I understand you to say that, of your own knowledge, you do not know that Mr. Byrne performed this work for Mr. Thomson, or any of these other employees did, but you heard it talked among the employees that they did do the work for him?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. You heard that?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. That is general talk among the employees?

Mr. McALLISTER. That is the general understanding among the employees.

Mr. McCoy. Did you hear it while the work was being done?

Mr. McALLISTER. While they were away?

Mr. McCoy. While Byrne was out of your room there on this work for Mr. Thomson, did you hear of it then?

Mr. McALLISTER. Yes, sir. They were speaking of it then, that he was there doing it; but I never saw him doing it. You see, I had no occasion to go down there at all.

The CHAIRMAN. You did not see him perform the work, but you know that he did do it?

Mr. McALLISTER. Yes, sir.

(The witness was excused.)

TESTIMONY OF ABRAHAM LINCOLN ALEXANDER (Colored).

The CHAIRMAN. State your name in full.

Mr. ALEXANDER. Abraham Lincoln Alexander, named on the battle field when Gen. Banks ran away from Winchester. I was a baby then. [Laughter.]

The CHAIRMAN. Mr. Alexander, you will inform the committee whether or not you are employed in the Post Office Department.

Mr. ALEXANDER. Yes, sir; I am.

The CHAIRMAN. In what division and in what capacity?

Mr. ALEXANDER. I am a laborer under the chief clerk's division, detailed to the wagon.

The CHAIRMAN. The chief clerk; who is the chief clerk?

Mr. ALEXANDER. Mr. Weed.

The CHAIRMAN. What is the nature of your business; in other words, what do you do?

Mr. ALEXANDER. I have charge of the transportation of all the supplies and everything between the post office and the annex and the branches. I have the ice and the mail and the trash and everything that has to go. I have to haul it during the day, regular mail trips. I haul the registered mail and the waste paper.

Mr. SLEMP. You do not mean you drive the wagon?

Mr. ALEXANDER. Yes, sir; I am the wagon driver. All that comes in my line.

The CHAIRMAN. Mr. Alexander, did you ever deliver any boxes or material of any kind at the residence of Mr. G. G. Thomson in this city?

Mr. ALEXANDER. I may have. I do not know just how to answer you on that question. I have been to his house, but I have never delivered anything of material value, or boxes the kind I think you have in question here.

Mr. McCoy. How do you know what kind we have in question?

Mr. ALEXANDER. Because the men that are coming up here—and you are examining them, and we know what you are talking about.

Mr. McCoy. They go back and tell you all about it, do they?

Mr. ALEXANDER. No; I have an idea, just naturally would have an idea, working right there.

The CHAIRMAN. You have heard some talk among the employees, have you, about post-office employees being subpoenaed to appear before this committee?

Mr. ALEXANDER. Yes, sir; I read it, too, of course; the first thing I seen on the page.

The CHAIRMAN. Have you had any talk about this investigation with any of your superior officers?

Mr. ALEXANDER. No; I have not talked it over with anybody.

Mr. McCoy. You have talked with the boys in the department, have you not?

Mr. ALEXANDER. No; honestly, I have not.

Mr. McCoy. Have you not overheard them talking?

Mr. ALEXANDER. I do not put any use in everything I hear.

Mr. McCoy. You have to tell us everything you know here.

Mr. ALEXANDER. No; I can honestly tell you I have not, because I mind my own business. I have not been around in the office; I keep out of it.

The CHAIRMAN. Are you not just a little bit afraid to get mixed up in this investigation?

Mr. ALEXANDER. Not a particle. I will give you the honest truth, if you ask me, no matter what you do, so help me God. I mean every word of it; I am honest about this.

Mr. McCoy. We will assume you will tell the truth. Now, then, tell the truth. You said a few minutes ago it was a matter of common talk among the boys down in the department that Mr. Thomson had been making use of some of them and some of the material down there for his own purpose. What was the common talk, and what have you heard, and who said it?

Mr. ALEXANDER. The common talk comes about like this: When the paper the other evening appears with this in it——

Mr. McCoy. I am not asking you about the papers.

Mr. ALEXANDER. That is what I mean by the common talk. It is the spreading of the news in the papers, and the men give me the paper to see.

Mr. McCoy. And you say positively you have never spoken to anybody about what was in the newspapers?

Mr. ALEXANDER. No other than to say, "Did you look at the paper?" Somebody asked me that; but I have had no conversation.

Mr. McCoy. And when one of you would say that to the other you would stop, and not say another word?

Mr. ALEXANDER. I do not believe I talked a word of conversation with anybody.

The CHAIRMAN. Did you have a subpoena served on you to-day?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Did Mr. Weed say you could come up here before the committee?

Mr. ALEXANDER. Just as soon as I got the subpoena I went to my foreman——

The CHAIRMAN. Who is your foreman?

Mr. ALEXANDER. Mr. Harper—and showed him this, and had him put a man on the wagon, and come up.

The CHAIRMAN. What did he say to you about it when you showed him the subpoena?

Mr. ALEXANDER. He did not say anything. He said I would have to go, and I said I knew I would have to go.

The CHAIRMAN. Go ahead, now, Alexander, and tell this committee just what you do know about this matter we have been questioning you about.

Mr. ALEXANDER. I do not know whether Mr. Thomson—he has not called upon me to take any things of those kind to his house.

The CHAIRMAN. Did you ever do any outside work for Mr. Thomson?

Mr. ALEXANDER. If I understand by that——

The CHAIRMAN. Work outside the Post Office Department during office hours, working hours?

Mr. AUSTIN. At home, private work, not Government work?

Mr. ALEXANDER. I do not think I have.

Mr. McCoy. Where does he live?

Mr. ALEXANDER. I do not know, now.

Mr. McCoy. Have you ever been to his house?

Mr. ALEXANDER. At that time he lived—I mean the time I have went to his house, was up on that side of Fourteenth Street.

Mr. McCoy. What year was that?

Mr. ALEXANDER. I suppose it was a year ago or so.

Mr. McCoy. Was it not a year ago this coming summer?

Mr. ALEXANDER. I should think it was, along, say, to the best of my recollection, a year ago from about this time of the year.

Mr. McCoy. What was his position in the Post Office Department at that time?

Mr. ALEXANDER. He was the Superintendent of the Supply Division.

Mr. McCoy. He was at that time?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Are you sure of that?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Do you know whether Mr. Thomson left the city about that time?

Mr. ALEXANDER. I am unable to tell you what time he left.

Mr. McCoy. Do you know he did leave the city—Washington, D. C.?

Mr. ALEXANDER. I know he left the city; yes, sir.

Mr. McCoy. In the summer of 1910?

Mr. ALEXANDER. Just the time, I would not be able to say.

Mr. McCoy. About the time when you had been up to his house?

Mr. ALEXANDER. No; I do not know if the time was relatively close.

Mr. McCoy. How close was it?

Mr. ALEXANDER. He left the city when I was on leave.

Mr. McCoy. When were you on leave?

Mr. ALEXANDER. In the month of November I generally take my leave. He left the city, and a new supply superintendent came while I was on my leave.

Mr. McCoy. In November, 1910?

Mr. ALEXANDER. Yes; because I remember when I came back to work I had a new superintendent.

Representative ALEXANDER. I believe Mr. Thomson says he left about the 1st of November, 1910.

Mr. ALEXANDER. That would be it, my leave; I mean the season.

Mr. McCoy. Did you take a leave of 30 days in November?

Mr. ALEXANDER. I never get that much at once; I only get it in broken parts.

Mr. McCoy. Did you take all your 30 days last year?

Mr. ALEXANDER. I did not get all my leave last year. They could not spare me. I got it part in the spring, and I think, to be frank, I got about 20 or some odd days, running up into November. I was short in my leave last year.

Mr. McCoy. Do you remember the year 1910?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. You do remember the year, do you?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. When does your leave of absence begin to count from, the 1st of January in each year?

Mr. ALEXANDER. I think so.

(Informal discussion followed.)

Mr. McCoy. Beginning on the 1st of July, 1910, the beginning of the fiscal year; tell the committee how many times, and when, you were away on leave of absence.

Mr. ALEXANDER. I would be unable to tell you that; I have not the recollection.

Mr. McCoy. Have you any way you can find out?

Mr. ALEXANDER. By applying to the time clerk I could get it. I could not recollect. I know I had time at times, enough to be nearly a month.

Mr. McCoy. When was the last day, from July 10 up to now, that you took any leave?

Mr. ALEXANDER. I could not tell you that.

Mr. McCoy. Have you been off on leave within a week?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within a month?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within two months?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within four months?

Mr. ALEXANDER. I do not take very much leave.

Mr. McCoy. Just confine yourself to my questions and answer them. Have you been off on leave of absence within the last four months?

Mr. ALEXANDER. If I have, I do not think it has been over two days.

Mr. McCoy. Answer the question. Have you been off? Have you any memory at all of facts?

Mr. ALEXANDER. I try to have.

Mr. McCoy. Now, you try to recollect whether you have been off in the last four months on leave of absence. I want you to tell me.

Mr. ALEXANDER. I do not think I have been off a whole day.

Mr. McCoy. During the day?

Mr. ALEXANDER. What I mean, a day's work. You see, if you are off a part of a day—I have been off a part of a day, but I do not think I have been off a whole day in two or three months.

Mr. McCoy. When you are off a part of a day on a leave of absence, are you charged with a whole day or a part of a day?

Mr. ALEXANDER. You are charged with so many hours.

Mr. McCoy. You can take leave of absence for three hours of a day, can you?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Have you been off any part of any day in the last four months?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. When?

Mr. ALEXANDER. I have been off—I could not tell you just when.

Mr. McCoy. At any time in the last four months?

Mr. ALEXANDER. Yes; I have been off; but I could not tell you just when.

Mr. McCoy. Was it within a month of now? Were you off in the month of May?

Mr. ALEXANDER. I do not think I was.

Mr. McCoy. Were you off in the month of April?

Mr. ALEXANDER. I do not believe I was.

Mr. McCoy. Were you off in the month of March?

Mr. ALEXANDER. I think I was. I know I have been off a whole day once or twice, and I think it was in March.

Mr. McCoy. You think you had two days' leave in March?

Mr. ALEXANDER. I could not tell you that. I have not kept the time in my mind.

Mr. McCoy. Take the month of February; were you off in February?

Mr. ALEXANDER. If you permit me to get my time, I can tell you, I am positive; I can not recollect so closely as that to the days and the times.

Representative ALEXANDER. Were you ever at Mr. Thomson's house while he was Superintendent of the Division of Supplies?

Mr. ALEXANDER. Yes, sir.

Representative ALEXANDER. How often?

Mr. ALEXANDER. Not very often.

Representative ALEXANDER. How often?

Mr. ALEXANDER. Half a dozen times, I suppose.

Representative ALEXANDER. Now, tell the committee what you were there for?

Mr. ALEXANDER. I have gone past his house on my way home in the evening, probably to take a package—something like that, a small package.

Mr. McCoy. Where do you live?

Mr. ALEXANDER. In the northwest part of the city.

Representative ALEXANDER. Were you ever there during business hours?

Mr. ALEXANDER. I might have gone past there in business hours. I was not there to do any work in business hours.

Representative ALEXANDER. Can you not remember if you ever were?

Mr. ALEXANDER. No; I have so many things to do regularly every day.

Representative ALEXANDER. Is it so usual for you to be sent out on messages or work for officials down there in the department that you can not recollect a circumstance like that?

Mr. ALEXANDER. No; it is not usual; but I have such a heavy routine of work to do that I must concentrate my mind upon that.

Representative ALEXANDER. You did not go to Thomson's so often you can not remember when you went?

Mr. ALEXANDER. I went so little there is not anything in it especial for me to remember—just to carry a little basket up there, or something like that.

Representative ALEXANDER. Did you ever take anything to his house?

Mr. ALEXANDER. Nothing material.

Representative ALEXANDER. Did you ever take any boxes out there?

Mr. ALEXANDER. Not to my recollection.

Representative ALEXANDER. Did you ever haul anything out there at all from the department?

Mr. ALEXANDER. Not that I remember.

Mr. McCoy. What was in the baskets you took out?

Mr. ALEXANDER. It might have been a little marketing. He says, "Alec, take this up to my house on your way home; would you mind?"

Mr. McCoy. Where did you live at that time?

Mr. ALEXANDER. In Twenty-second Street.

Mr. McCoy. What number?

Mr. ALEXANDER. It was 940, I believe.

Mr. McCoy. Between what streets is that?

Mr. ALEXANDER. L and M.

Mr. McCoy. And where did he live?

Mr. ALEXANDER. He lived away out, I think you call it Mount Pleasant; away up in that part of the northwest.

Mr. McCoy. Is that out beyond Twenty-second Street?

Mr. ALEXANDER. It is north of it, away up on the hill there. I think the name of the street is Monroe Street.

Mr. McCoy. Is that east or west of Twenty-second?

Mr. ALEXANDER. That would be north of that.

Mr. McCoy. Do not the numbered streets here run north and south?

Mr. ALEXANDER. Yes, sir; and that street would run east and west.

Mr. McCoy. So that would make it north of Twenty-second Street?

Mr. ALEXANDER. In the northern section of the city.

Mr. McCoy. Do you live in the same place now that you did then?

Mr. ALEXANDER. No, sir.

Mr. McCoy. What time did you leave your business to go home in the summer of 1910?

Mr. ALEXANDER. In the daytime, do you mean?

Mr. McCoy. Do you work nights?

Mr. ALEXANDER. I did not understand you, please.

Mr. McCoy. What time did you leave your business in the summer of 1910?

Mr. ALEXANDER. I never got through until 5 or half past 5.

Mr. McCoy. In the summer of 1910 you got through at 5 or half past 5?

Mr. ALEXANDER. Regularly; yes, sir.

Mr. McCoy. Did you walk home?

Mr. ALEXANDER. As soon as I put my horses away; yes, sir.

Mr. McCoy. Do you stable your horses near your home?

Mr. ALEXANDER. Not so very far from my home; quite near, I think.

Mr. McCoy. You take your horses to your stable and then walk home?

Mr. ALEXANDER. Put my horses away, and everything—horses and wagon and harness.

Mr. McCoy. How far was Mr. Thomson's house from where you stabled your horses?

Mr. ALEXANDER. Quite a good way.

Mr. McCoy. A mile?

Mr. ALEXANDER. I guess some people would call it a mile.

Mr. McCoy. Was Mr. Thomson's house a mile from the place where you stabled your horses in 1910?

Mr. ALEXANDER. We stabled the horses—of course, the office horses are stabled between L and M and Sixteenth and Seventeenth Streets; that is where the stable is; and then he lived at that time on Monroe Street, I think, somewhere between Sixteenth and Seventeenth Streets.

Mr. McCoy. Did you ever walk from the stable to his house?

Mr. ALEXANDER. Never.

Mr. McCoy. You always drove there?

Mr. ALEXANDER. Yes, sir; if I went there.

Mr. McCoy. How long did it take you to drive there from the post office?

Mr. ALEXANDER. I do not know. If I would be through and on my way home, I would not be long.

Mr. McCoy. How long does it take to drive from the post office to Mr. Thomson's house?

Mr. ALEXANDER. I think at a good ordinary gait you could go there in half an hour, if not less.

Mr. McCoy. How long does it take to drive from the Post Office Department to the stable where the horses are stabled?

Mr. ALEXANDER. I come out of the stable about 8 o'clock in the morning, and if I walk—anyway, I am due at the office at half past 8, and I always make myself allowances. Sometimes I trot, and sometimes walk. But I get there easily in 15 minutes.

Mr. McCoy. Then his house is 15 minutes farther away from the post office than the stable is?

Mr. ALEXANDER. Yes.

Mr. McCoy. How far is your house away from the stable?

Mr. ALEXANDER. I can walk from my house to the stable, if I am in a hurry, in about six or seven minutes.

The CHAIRMAN. Mr. Alexander, are you under any special obligations to Mr. Thomson?

Mr. ALEXANDER. Nothing that would make me do anything but what was right.

The CHAIRMAN. That is not the question.

Mr. ALEXANDER. No, sir; I am under no special obligations to Mr. Thomson.

The CHAIRMAN. He has never rendered you any special service that would place you under any obligations?

Mr. ALEXANDER. No service he has ever rendered me that would place me under any obligation that was wrong. He has rendered me service that I am very grateful and thankful for.

Mr. McCoy. What was that?

Mr. ALEXANDER. In the time of sickness and death he helped me.

Mr. SLEMP. Do you mean some member of your family?

Mr. ALEXANDER. I do. My daughter laid sick for nearly a year, and he helped me very greatly, especially by being kind to me, and any little favor. That is the only way I ever got to his house, was by being there to take any little thing he offered. If I knew he had a basket I would gladly take it. That is the way I went to his house.

Mr. TOWNER. Now you understand, as well as this committee—because I think you are an intelligent man—that you are justified in doing anything for him that you choose, so long as you do not use Government time or Government property. What do you say to this committee as to whether or not, at any time, you have ever done either one of those things at his request, or voluntarily on your part?

Mr. ALEXANDER. I have not at any time.

Mr. TOWNER. And you say that without reservation?

Mr. ALEXANDER. I can.

Mr. TOWNER. And you say that recognizing the fact that you are under oath?

Mr. ALEXANDER. I say that when I went to his house the time was at my liberty, and I was glad to take something by for him. I have never hauled any Government property for him, pro or con, or any way, knowingly.

Mr. TOWNER. You have answered the question.

(Thereupon, at 4 o'clock p. m., the committee adjourned until Monday, June 19, 1911, at 10 o'clock a. m.)

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DEPARTMENT OF THE INTERIOR,
Washington, June 7, 1911.

Hon. WILLIAM A. ASHBROOK,
*Chairman Committee on Expenditures in the
Post Office Department, House of Representatives.*

SIR: My attention has been called to a copy of Hearings before the Committee on Expenditures in the Post Office Department, House of Representatives, on House resolution No. 109, to investigate the Post Office Department, the same being numbered 3, purporting to contain the testimony taken before your committee on May 25, 26, and 27, 1911. At page 139 the following occurs:

Mr. MCCOY. You mean the Boston Library Co.?

Mr. WEED. I understand they are the only people who can get into the Senate Office Building, and I understand the Yawman & Erbe Co. have been the only people that could get into the Interior Department.

Mr. MCCOY. You understand, then, that a situation exists in Washington, where certain firms have a monopoly of certain kinds of business?

The testimony referred to above has been brought to my attention by the chief clerk of this department and the Chief of the Division of Supplies, office of the Secretary; and in view of the fact that it tends to create the impression that the business of this department with respect to the purchase of office and filing furniture has been given to one firm or company to the exclusion of others engaged in the same business, I take pleasure in transmitting to you for whatsoever use you may deem proper to make of the same under all the circumstances a transcript taken from the books of this department showing nearly all purchases of furniture and filing furniture through the Division of Supplies for the fiscal years 1910 and 1911, as follows:

Names of firms.	1910	1911
Yawman & Erbe.....	\$4,609.65	\$2,249.13
Library Bureau.....	586.25	3,033.50
Fred S. Lincoln.....	1,748.57	2,811.40
Shaw-Walker Co.....	2,613.80	330.56
Office Supply Co.....	630.50	64.25
Globe Wernicke Co.....	6,182.10	2,001.89
W. B. Moses Sons.....	13,401.90	1,955.65
Julius Lansburgh.....	847.70	591.01
Derby Desk Co.....	2,423.19	3,499.00
Jackson Bros.....	7.85	194.20
Total.....	33,051.51	16,730.59

The bureaus of the department may possibly have purchased small quantities of furniture which were paid for out of special appropriations under their charge and accounted for directly to the Auditor of the Treasury Department. It is, however, believed that the

bureaus followed the same practice as followed by the Division of Supplies in procuring competitive bids.

You will note from the above statement that Yawman & Erbe Co., during the fiscal year 1910, beginning July 1, 1909, and ending June 30, 1910, received business amounting to \$4,609.65, out of a total of \$33,051.51; that during the fiscal year 1911, or from July 1, 1910, to date, the same company has received orders from this department to the value of \$2,249.13, out of a total of \$16,730.59 thus far expended, and, furthermore, that all such furniture was purchased either under existing contracts made by the General Supply Committee, or in nearly every instance by competitive bids.

Respectfully,

CARM A. THOMPSON,
Assistant Secretary.

DEPARTMENT OF THE INTERIOR,
UNITED STATES INDIAN SERVICE, MOQUI AGENCY,
Keams Canon, Ariz., June 8, 1911.

MY DEAR MR. ASHBROOK: I learn from newspaper clippings, personal letters, and copies of the hearings under House resolution No. 109 that the matter of the payment to me of salary as Third Assistant Postmaster General, from October, 1909, to October, 1910, while I was not on duty, has been under investigation by the Committee on Expenditures in the Post Office Department, of which you are chairman.

May I not ask that this letter be made a part of the records of your hearings?

Reference to the published decisions of the Comptroller of the Treasury will disclose that similar payments, under like conditions, have been made by the Government almost from its foundation. The decisions and precedents are altogether in favor of such payments.

The position of Third Assistant Postmaster General is not in the classified civil service, and the laws governing sick and annual leaves do not apply.

The Comptroller of the Treasury, who is the final and absolute authority to pass upon the legality of payments by the executive departments from appropriations, has uniformly and repeatedly held that the claim to salary in cases of this sort rests upon the title to the office and not upon the performance of its duties.

Since the foundation of the Government Cabinet officers, assistant Cabinet officers, and other responsible executive officers of the Government have been ill and temporarily incapacitated for the performance of their duties. Investigation will show, I think, that in each case the salary was paid as long as the Chief Executive, in the exercise of a discretion vested in him, did not see fit to accept a resignation.

While on moral grounds I may have had some misgivings as to my right to the salary paid me, I never had any doubt as to my legal right to it, under the law and the authoritative decisions of the comptroller.

I have been in the Government service, all told, 18 years, and nearly half of that time under tropical conditions—in Cuba during one yellow-fever epidemic, and in the Philippines during two epidemics of cholera. It is quite likely that my health was lost, temporarily, as a result of tropical service, yet I have never felt that my poor efforts

merited the consideration that was given while my resignation was pending.

My friends advised me with one accord that I was entitled to the money paid me on moral as well as legal grounds. Opinions on moral questions are apt to differ. I accepted the salary mainly because the highest accounting authority has held, under like conditions, that its payment was warranted by law. With very kind regards, believe me,

Sincerely, yours,

A. L. LAWSHE.

Hon. W. A. ASHBROOK, M. C.,
House of Representatives, Washington, D. C.

No. 6

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

TO INVESTIGATE THE POST OFFICE
DEPARTMENT

JUNE 16, 17, AND 19, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call.]

WILLIAM A. ASHBROOK, of Ohio, *Chairman*.

JOSHUA W. ALEXANDER, of Missouri.

WILLIAM C. REDFIELD, of New York.

WALTER I. MCCOY, of New Jersey.

RICHARD W. AUSTIN, of Tennessee.

C. BASCOM SLEMP, of Virginia.

HORACE M. TOWNER, of Iowa.

ERNEST CORNELL, *Clerk*.

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
Friday, June 16, 1911.

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.

The following members of the committee were present: Messrs. Ashbrook (chairman), Alexander, McCoy, Austin, Slemp, and Towner.

The witnesses who appeared before the committee, Messrs. Fred T. Nesbit and Edwin Fairfax Naulty, were duly sworn by the chairman.

STATEMENT OF MR. FRED T. NESBIT, 116 NASSAU STREET, NEW YORK, N. Y.

The CHAIRMAN. Please give your name and address to the committee.

Mr. NESBIT. I am Fred T. Nesbit, and my residence and place of business is in New York City. I reside at 116 Nassau Street, New York, N. Y., and am the president of the F. T. Nesbit Co. (Inc.).

The CHAIRMAN. I desire to have read into the record the charges as made by Mr. Edwin Fairfax Naulty, who is the president and general manager of the Fairfax United States Mail Chute System.

(The matter referred to is as follows:)

HOTEL RALEIGH,
Washington, D. C., May 29, 1911.

Hon. WILLIAM ASHBROOK,

Chairman House Committee on Post Office Expenditures.

ESTEEMED SIR: I have the honor to transmit to you as chairman of the House Committee on Post Office Expenditures a series of charges involving the purchase and use of United States mail chutes by the Post Office Department and of the maintenance of a wrongful monopoly in mail chutes and of other abuses growing out of the interpretation of the rules governing the installation of mail chutes and of Official Orders, 148, August 8, 1905, and Order 157 of March 2, 1907.

Respectfully

EDWIN FAIRFAX NAULTY.

Brief of charges of wrongful purchase of mail chutes for use in post office and other public buildings, of fostering and making possible a monopoly in the sale of mail chutes, of prevention of competition, of favoritism to one concern, of excessive and onerous bonds required by Postmaster General Hitchcock, former Superintendent of City Delivery E. H. Thorpe, and other officials, made May 29, 1911, by the Fairfax United States Mail Chute System and its president, Edwin Fairfax Naulty.

Edwin Fairfax Naulty, president and general manager of the Fairfax United States Mail Chute System, of New York, makers of mail chutes under the Naulty patents, petitions to lay before the honorable Committee on Post Office Expenditures the following charges against Postmaster General Hitch-

cock, former Superintendent of City Delivery E. H. Thorpe, and other officials of the Post Office Department.

1. Mail chutes for use in post offices and other public buildings have been privately purchased and paid for out of appropriations for the erection of such buildings without competitive bidding and the awards have been made to the highest bidder.

2. A monopoly in mail-chute installation has been given the Cutler Mail Chute Co., of New York, of which James G. Cutler, former Republican mayor of Rochester, is the president, and by a series of acts covering a period of five years Fairfax System and Naulty have been prevented from engaging in their business by methods adopted by officials of the Post Office Department to sustain such monopoly and to inhibit Naulty and Fairfax System, not only from furnishing mail chutes to Government buildings but also to prevent their purchase by private individuals for subsequent use by the Post Office Department in the collection of mail matter.

3. Official Order No. 157, issued by former Postmaster General Cortelyou on March 2, 1907, two days before he became Secretary of the Treasury, was deliberately suppressed by his successor, Hitchcock, and subordinate officials under his direction, and despite a series of appeals made for its publication, copies of which, with replies to which, are annexed, such publication was not made officially until July 15, 1909, 17 months subsequently, although in the meantime, and immediately after its issue, a similar order of approval granted to the Cutler Manufacturing Co., as the Cutler Mail Chute Co. was then known, was published in the Official Bulletin and Guide. The explanation given was that the failure to publish the approval order granted Naulty was a clerical "oversight." It is curious that no such oversight occurred with the order given Cutler. It is true that a later order given Cutler for a changed form of his chute was not published, but the basic fact remains that Cutler's original order was given full publicity to postmasters and others, thus placing Cutler in the position to assert, as he and his agents did, that they had official approval, while it had been denied to Fairfax system and Naulty.

The position in which this act of the post-office officials placed Fairfax system and Naulty can be seen when it is realized that intending purchasers of mail chutes would ask their local postmaster if the Fairfax mail chute was authorized, on being told by Cutler that it was not, and the only reply the local postmaster could make was that he had never been informed officially that such approval had been granted. In one case the actual presentation of the copy of this order of approval which Naulty had received from former Postmaster General Cortelyou was not enough to convince a postmaster that it was genuine. His blunt query was: "Why is it not published in the Official Bulletin or the Guide, as Cutler's is?"

4. In October, 1905, Naulty was given official authorization to build and erect mail chutes. He built a number of them, one of which is now in the Westmoreland Apartment House in Washington, where it has been working satisfactorily. After inspection and long use of this and other Fairfax-Naulty mail chutes official approval of these chutes was granted, but although these and other facts were well known to the officials of the Post Office Department Fairfax System and Naulty were never asked to bid for the mail chutes used in the great number of post offices and public buildings erected since that time and all contracts for such chutes have been awarded to the Cutler Mail Chute Co. or to another concern which is a part of the Cutler Co.

5. In 1905 Naulty was awarded the contract for the erection of the mail chutes in the post office part of the customhouse in New York, by Joseph Robinson & Co., who had the contract for this building. The award was made by Robinson to Naulty as the lowest bidder and for furnishing the best material. Robinson informed Naulty in 1906 that he (Robinson) would not be allowed to use the Naulty chute, and Robinson canceled his contract with Naulty. It can be seen to what clever use such action in regard to a Government building could be put by Cutler in preventing Naulty from obtaining further contracts from builders. All that was necessary to say was that the Post Office Department would not use the Naulty chute.

6. A mail chute erected by Fairfax System and Naulty in the building owned by the Sheffield Farms Co., on Fifty-seventh Street, New York, in 1907, although built in strict accordance with the specifications and plans on which Naulty was given authorization and approval, has never been put in use by the post office at New York, acting under instructions from Washington, thereby

greatly injuring Naulty and Fairfax System, preventing him from getting full pay for his chute, putting the owner of the building to great annoyance, and the contractor to loss.

7. In 1907 Naulty sold to the Ohio Savings Bank & Trust Co., of Toledo, Ohio, a mail chute for its new building. The chute was installed, and only then was Naulty told that he would have to arrange to give a bond of \$5,000 to protect the Post Office Department against a possible suit for infringement of patent. Naulty was compelled to arrange with President Robison, of the bank, to furnish such bond, and so insistent was then First Assistant Hitchcock that Naulty be not allowed to open this chute without the filing of the bond that he twice telegraphed imperative orders to Postmaster Tucker not to accept the Naulty chute. Naulty's personal bond would not be accepted, but the personal bond of Cutler, his competitor, was accepted, with accommodating indorsements.

8. The Postmaster General and officials under him have steadfastly refused to allow Naulty to build mail chutes until he furnished another bond of \$5,000 to protect the department from possible suits for patent infringement. Naulty's device does not infringe any other device; as a point of fact, he was the first inventor to perfect and offer to the Post Office Department a successful locked mail chute. Naulty is most skillfully blocked thus in all directions. If he gives a bond to the Post Office Department, the builder or owner of the building, where a private building is concerned, insists on another bond; so does the owner; and, further, so does the concern that has agreed to make the boxes on the first floor to which the chute is connected. It will thus be seen that to sell one mail chute for \$500 Naulty is compelled to give a surety bond to the Post Office Department, one in at least double the amount of the cost of the chute to the contractor, another double the amount to the owner of the building, and another double the amount of the price of the box to the foundry casting the box.

It is easy enough for a \$2,000,000 corporation, backed by the Bankers' Trust Co. of New York, as is the Cutler Co., to do this without doing more than entering into an obligation. Their personal indorsed bond will be accepted by the Post Office Department or by any builder. But with Naulty the case is different. In theory, all he has to do is to get "satisfactory indorsements" to his bonds or to get them from some recognized surety company "approved" by the Post Office Department. But Naulty has not enough wealthy friends to back all the bonds required, and if he go to a surety company, as he has done, it will require collateral from him to the full extent of the bond. Thus it will be seen that under the way the matter has been interpreted Naulty, to do business, is compelled to put up either cash or good collateral equal in value to the extent of over seven times the amount of the price of every mail chute he erects. And this honorable committee may be sure that the Cutler agents, when they find that Naulty has been awarded a contract, will take good care that the owner and builder are forced to ask for a bond from Naulty.

9. While Naulty and the Fairfax system have been held to the strictest and most onerous interpretation of the rules governing the erection and installation of mail chutes, a copy of which is attached, Cutler has been allowed to build mail chutes in direct violation of these rules. The rules provide that all parts of the mail chute between floors must be exposed to view, yet Cutler lately has been permitted to put mail chutes behind wall partitions and to run them through private offices. Notably is this the case in the new Marshall Building, on Commerce Street, in Boston, and the Consolidated Stock Exchange, in New York.

10. The Cutler Co., having absorbed the Automatic Mail Delivery Co., is now enjoying a monopoly in the building of mail chutes not only for the post-office buildings, but also for private individuals through the connivance of officials of the Post Office Department. To explain how private individuals are concerned it may be set forth that in a business building the owner of the building pays for the mail chute placed therein. After it is installed and open for the collection of mail it is turned over to the "care and custody of the Post Office Department." It then virtually belongs to the Post Office Department so long as it fulfills the functions of a mail chute and is in operation. It must not be touched, repaired, closed, or even cleaned except with the consent of the postmaster in whose jurisdiction it is. Every modern building is equipped with a mail chute, and to keep them in repair, to open them when choked by mail, or to do anything with them the Post Office Department is compelled to employ a number of mechanics, who are carried on its pay rolls

and paid out of appropriations for the Post Office Department, and hence the entire subject, not only so far as the purchase of mail chutes by the Post Office Department for use in post-office or Government buildings, but the maintenance of chutes in private buildings, is legitimately within the province of investigation of this committee.

11. That the mail-chute business is not a trifle may be realized when it is seen that there are over 150 cities and towns using them, of which the Post Office Department has a full list, covering every mail chute in use, and that the concern which has a wrongful monopoly of mail chutes is capitalized at \$2,000,000, on which, your petitioner is informed, it pays high dividends.

12. Every architect and builder in the country has rebelled for years against the prices they have been forced to pay for mail chutes to the Cutler Co., but they have been helpless, as they have neither the time to make nor hope of success in any fight against Cutler.

Assured that he will be given a full and impartial hearing before this honorable committee, your petitioner prays that audience be given him at the convenience of the chairman and members, at which time he will go into greater detail than is possible in a brief; and he further prays that this committee take such action as shall prevent the further monopolization of the mail-chute industry, even should such action require the abrogation of the present rules governing mail chutes or part of them.

Respectfully,

POST OFFICE DEPARTMENT,
OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL,
DIVISION OF CITY DELIVERY,
Washington, August 2, 1909.

MR. EDWIN FAIRFAX NAULTY,
150 Fifth Avenue, New York, N. Y.

SIR: In answer to your communication of the 29th ultimo renewing your request for the publication of an order issued by the Postmaster General in 1907 approving the Fairfax mail chute, I beg leave to inform you that this matter has been gone over carefully, and it has been decided to issue a new order covering all the types of mail chutes which have been approved by the department. This order appeared in the daily bulletin of July 23, 1909, and I inclose herewith a copy for your convenient reference. The notice will also be published in the August Supplement to the United States Official Postal Guide, and a copy of this publication will also be sent you as soon as issued if you so desire. The department regrets the annoyance to which you have been put, and it is hoped that the issuance of the new order will meet the desired ends.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster General.
E. H. T.

ORDER No. 157, ISSUED MARCH 2, 1907.

Ordered. That whereas the mailing chutes designated in Type A, 1905 model, and Type 1, 1906 model, made by the Fairfax United States Mail Chute System, New York, N. Y., appear to conform to the present requirements, it is declared in accordance with the act of Congress, approved January 23, 1893, that in all mailing apparatus of these styles heretofore installed or to be installed hereafter under the regulations of the department, the chutes shall be considered part of the receiving boxes and shall be under the exclusive care and custody of the Post Office Department.

GEO. B. CORTELYOU,
Postmaster General.

(This is a copy of the official order issued three years ago approving the Fairfax system. The Fairfax system was authorized in 1905.)

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,

MAKERS OF LOCKED MAIL CHUTES UNDER NAULTY PATENTS,

150 FIFTH AVENUE, NEW YORK.

POSTAL LAWS AND REGULATIONS GOVERNING MAILING CHUTES AND RECEIVING BOXES.

SECTION 720, paragraph 1. The Postmaster General is hereby authorized, in his discretion, to declare by official order that the chutes connected with mail boxes that are attached to any chute or device which may be approved by him are a part of said receiving boxes and under the exclusive care and custody of the Post Office Department. (Act of Congress, Jan. 23, 1893, ch. 41, 2 Supp. R. S., 76.)

2. Mailing chutes and receiving boxes may be placed, subject to the approval of the postmaster, in public buildings, railroad stations, hotels of not less than 5 stories in height, business or office buildings of not less than 4 stories in height, and apartment houses comprising not less than 50 residential apartments. Buildings in which receiving boxes are or shall be located shall be open to the general public without restriction at all times during the hours prescribed for mail collections, in order to afford access to such receiving boxes for the deposit of mail matter therein.

3. No receiving box with which a mailing chute is connected shall be placed more than 50 feet from the main entrance of the building in which located; and if, in the judgment of the postmaster, the efficient handling of the mails requires the placing of such box nearer to such entrance, it shall be so placed, and at such point as he may direct. No receiving box shall be placed elsewhere than on the ground floor of any building.

4. Every mailing chute shall be made wholly of metal and glass, and so constructed that all portions of its interior may be easily reached by postal authorities, but not by other persons. It shall extend in a continuously vertical line from the point of beginning to the receiving box, and be so placed as to be conveniently accessible throughout its entire length. In no case shall a mailing chute be placed behind an elevator screen or partition, or run through any part of a building to which the public is denied access. At least three-fourths of the front of the chute in each story shall be of plate glass, not less than one-fourth of an inch in thickness where exposed, and the metal parts of the chute shall be of such weight and character as to insure rigidity, safety, and durability. The openings of every chute shall be of such form and dimensions as to prevent the reception of bulky parcels or newspapers, such as may crowd or clog the chute. Such openings shall be provided with some suitable device by means of which they may be opened and closed by postal authorities, but not by other persons. The legend "U. S. Mail" shall be plainly inscribed upon chutes at every mail opening.

5. Such receiving boxes shall be constructed of metal of sufficient weight and such character as to insure security and rigidity, and be provided with doors opening upon side hinges secured by rivets. The cubic contents of each such box shall be determined by the postmaster. The floor of the interior of the box, or cushion, if one be used, shall be level with the threshold of the door; and the bottom of the door shall be, in no case, less than 30 inches from the floor level of the building. The distance from the exterior of the bottom of the box (including all ornamentation) to the floor level of the building shall be not less than 20 inches; and this space shall be entirely open and unobstructed. Every such receiving box shall be provided with an elastic cushion, yielding bottom, or deflecting device, effectively to prevent injury to mail matter descending through the chute. Such boxes shall be so arranged that the mail collector may place a satchel or other receptacle in convenient position under the bottom of the door when making collections, and be provided with suitable means of attaching and holding the satchel or other receptacle in position. Receiving boxes shall be distinctly and legibly marked "U. S. Mail Letter Box," and shall each be supplied with a street letter-box lock.

6. Any obstruction in a mailing chute must be at once reported to the postmaster, who shall promptly make an inspection of the chute. If he find such obstruction to have resulted from misuse or abuse of the chute, he shall so notify the proprietor or lessee of the building in which the same is located, and may, in his discretion, close the mail openings and discontinue collections from

such chute until satisfied that proper care will be exercised in its future use and in the use of the receiving box connected therewith. Upon so discontinuing collections, the postmaster shall attach to the chute, at the several mail openings, notice of such discontinuance. Should any part such chute or receiving box be found by the postmaster to be not in conformity with these regulations, or to have become defective, he shall close the mail openings therein and discontinue collections therefrom, and shall not resume such collections until such mailing chute and receiving box shall have been made fully to meet the requirements of these regulations. All repairs, changes, and alterations to mailing chutes and receiving boxes shall be made by and at the expense of the owner or lessee of the building in which they are situated, under the supervision and subject to the approval of the postmaster.

7. Every mailing chute and receiving box shall be inspected by a representative of the postmaster at least once in each year; and such cleaning and repairing as shall be directed by the postmaster shall be then done, under his supervision, by and at the expense of the proprietor or lessee of the building in which such mailing chute and receiving box are situated.

8. Mailing chutes and receiving boxes are intended for the reception or deposit of mail matter of the first class, and must not be otherwise so used as to reduce their efficiency for this purpose, or to retard the handling of such first-class matter.

9. Authority to permit the installation of mailing chutes and receiving boxes conforming to these regulations is vested exclusively in the postmaster. To him shall be submitted the contract and specifications for any proposed chute and box, with a plan of the building showing the contemplated location therein of the whole of such chute and of the box connected therewith. If the postmaster approve such contract and specifications, and the location proposed, he shall indorse his approval upon such contract, and make report of his action to the Post Office Department.

10. Mailing chutes and receiving boxes shall be considered the property of the United States whenever and so long as collections of mail matter are made therefrom, and shall be and remain under the exclusive custody and control of the postmaster until such collections are discontinued by his direction.

11. Every mail-chute contract shall contain an explicit waiver by the owner or owners of patents issued and to be issued upon the chute and receiving box, or either of them, covered by such contract; and upon any device or devices connected therewith, of all claims against the United States and its officers and agents, on account of the use or employment of such chute and box and such device or devices; and shall also contain a full warranty by the company or persons proposing to erect such chute and receiving box against claims on account of infringements of the patents of others. Before commencing collections of mail, the postmaster shall also require such person or company to file with him a waiver of all claims of every name and nature arising under the contract, with a bond in such form and with such penalty as shall be prescribed by the Postmaster General, conditioned that the obligor and his or its sureties shall and will protect and indemnify the United States from any and all such claims, accompanied by a written notice from such person or company that they have no claim of any kind against such mailing chute and receiving box or either of them.

12. Where mailing chutes and receiving boxes are erected under lease, the postmaster is authorized to sign an agreement, indorsed on the back of the contract between the proprietor or lessee of the building and the person or company erecting such chutes and boxes, providing that if the lessors of such chutes and boxes shall request the discontinuance of mail collection therefrom and the return of the mailing apparatus to them, the postmaster will, after due notice to such proprietor or lessee, discontinue such collections, remove the lock from the receiving box, and permit the removal of the mailing apparatus by said lessors.

13. Printed cards, properly framed and glazed, and giving information as to the use of mailing chutes and receiving boxes and the hours of collection therefrom, shall be attached to each mail opening; and every chute and receiving box shall be furnished with a suitable and convenient glazed frame for such cards.

14. These regulations shall be printed on the back and become a part of every contract hereafter entered into between manufacturers or owners of mailing chutes and receiving boxes, for the erection and use of such chutes and boxes, and the proprietor or lessee of the building in which they are located.

Issued by the Postmaster General as Order No. 148, on August 8, 1905.

Fairfax United States Mail Chute System complies in all respects with the regulations printed above. Full specifications covering construction, installation, and price may be obtained by architects, contractors, and owners on application.

The CHAIRMAN. Mr. Nesbit, you will inform the committee what business you are engaged in.

Mr. NESBIT. My company is engaged in the construction of buildings.

The CHAIRMAN. What class of buildings?

Mr. NESBIT. Commercial buildings generally, in New York City and elsewhere.

The CHAIRMAN. How long has your company been engaged in the construction of this class of buildings?

Mr. NESBIT. My company has been engaged in construction of this character for about eight years.

The CHAIRMAN. What are some of the principal buildings that you have erected?

Mr. NESBIT. I may answer that first by giving you some of the buildings we are constructing at the present time. We have now under construction in this city the Woodward office building, at Fifteenth and H Streets, costing nearly a million dollars; we are building a theater on Ninth Street, in this city, known as the Imperial Theater; and we have under contract the new building for the Union Savings Bank, on Fourteenth Street. That covers the work we are doing in Washington. At the present time we have under construction a large candy factory in New York for Henry Heide, a well-known manufacturer. We have built a post office for the Government at New Britain, Conn.

The CHAIRMAN. Is this the only building you have erected for the Government? Is this the only public building you have constructed for the Government?

Mr. NESBIT. Yes, sir.

The CHAIRMAN. What other important office buildings have you erected?

Mr. NESBIT. We erected last year an eight-story office building for the National Bank of New Jersey, at New Brunswick, N. J., and a 10-story office building last year for the Wiss Realty Co., at Newark, N. J. We have erected quite a large number of buildings for the city of New York—not office buildings, but hospital buildings and municipal buildings of different characters.

The CHAIRMAN. Mr. Nesbit, in the construction of these buildings that you have mentioned have the plans and specifications required the installation of mail-chute systems?

Mr. NESBIT. They have, in all the office buildings I have mentioned, required mail-chute installation.

The CHAIRMAN. You will inform the committee, Mr. Nesbit, what kind of mail-chute system is called for in the specifications for these buildings you have mentioned.

Mr. NESBIT. As a rule, and I think that will apply to all the buildings I have mentioned, the manufacturer of the mail chute is not specified, but a standard mail-chute equipment acceptable to the Post Office Department is usually specified.

The CHAIRMAN. Inform the committee what kind of make the Post Office Department requires?

Mr. NESBIT. The first ruling that we received from the Postmaster General on that subject was in connection with our efforts to get competing prices for the mail chutes we were installing in the Woodward Building, referred to in my examination. I addressed a letter to the Postmaster General requesting him to inform us what manufacturers of mail chute equipment were approved by the department, and in due course we were advised that the United States Mail Chute Equipment Co., of St. Louis, Mo., and the Cutler Manufacturing Co.—I think that is of Rochester, N. Y.—were the two companies authorized to install mail chutes.

Mr. McCoy. Is that of Rochester, N. Y.?

Mr. NESBIT. Yes, sir.

Mr. ALEXANDER. These were the only two approved by the department?

Mr. NESBIT. Yes, sir.

The CHAIRMAN. Have you used these two systems exclusively in your construction work?

Mr. NESBIT. Previous to the receipt of this advice from the department, we learned that the Cutler Co. was the only company doing business, for the reason that they had about January 1 absorbed the United States Mail Chute Equipment Co., so that the Cutler Co. was the only company left in the field. I confirmed that information by addressing a letter to the United States Mail Chute Equipment Co., asking for a bid on this particular installation, and was advised by them in reply that they were not prepared to give estimates.

Mr. McCoy. That was January, 1911?

Mr. NESBIT. About that time; yes, sir. The merger took place around that date; I have no way of giving you the exact date.

Mr. McCoy. Then, you say that at this time there is but one company that makes a mail-chute system that is approved by the department?

Mr. NESBIT. Absolutely. If you want a mail-chute system, you must buy from the Cutler Co. and pay their price for it.

The CHAIRMAN. You will advise the committee what knowledge you have, if any, of the Fairfax mail-chute system, and state whether or not, in your opinion, it is the equal of the device that has been approved by the Post Office Department? Also, please state what you know about the cost of the two systems.

Mr. NESBIT. I had occasion to investigate the product of the Fairfax system, in connection with the Wiss Building, which we erected in Newark, N. J., and invited bids from them, and also from the Cutler Co. The bid of the Cutler Co. for that equipment was in the neighborhood of \$1,000, and the proposal of the Fairfax Co. was in the neighborhood of \$600. Well, the difference was so striking that I was immediately interested in the latter proposal. I called on Mr. Naulty to explain to me their facilities for doing business and to give me any information he cared to submit regarding his system. He submitted very full information on the subject. His device was approved by the architect of the building, and we were preparing to do business with him.

Meanwhile the Cutler Co. were calling on us very vigorously, and I finally told them that we were not going to do business with them, because we had a much better proposition from the Fairfax Co. That seemed to irritate them extremely, and they spared no words in denouncing the Fairfax product and methods. They used every form of denunciation that they could make to scare us off from doing business with them. They denounced them as being absolutely without capital or resources, and said that they were infringers; that they had already suppressed them, and supposed that they were going to remain suppressed; but that if they were bobbing up again they would take care of them as soon as they got an installation. They intimated very broadly to me that if we attempted to do business with them we would be subjected to an infringement prosecution. The upshot of it was that we were unable to do business with the Fairfax Co. We did not succeed in getting the assurance that we required that we would be free from prosecution if we installed their equipment, and we finally went back to the Cutler Co. and paid \$400 more than we would have paid for the Fairfax equipment.

The CHAIRMAN. Did this representative of the Cutler Co., to whom you refer, make any reference in any way to the Post Office Department, as to whether or not the Fairfax system was approved by the Post Office Department?

Mr. NESBIT. He did; he made the very broad statement that their system was not approved by the Post Office Department, and that the Post Office Department would not give its approval to any installation they made.

Mr. MCCOY. Did he state how he knew that to be the fact?

Mr. NESBIT. No, sir.

The CHAIRMAN. Do you recall the name of the representative to whom you have referred?

Mr. NESBIT. He is their New York representative; Mr. Naulty may know his name.

Mr. NAULTY. I know the man, but I am not at the moment able to call his name.

Mr. NESBIT. He was the New York representative of the Cutler Mail Chute Co.

The CHAIRMAN. We will be glad to have you explain to the committee what difference there is between the device of the Cutler Co. and that of the Fairfax Co.

Mr. NESBIT. Well, gentlemen, the difference between the two systems is so very slight, except from a very technical basis, that it would be very difficult for any man to explain the difference. The mail-chute system is a very simple proposition to start with. It simply consists of a slot or tunnel for the reception of mail matter, and a box at the bottom. Now, a technical manufacturer could explain in detail the difference in construction between the two systems we are speaking of, but I am not able to tell the difference, because they are so much alike.

The CHAIRMAN. In your opinion, is one as good as the other?

Mr. NESBIT. I am convinced of that fact, and I was perfectly willing to do business with the Fairfax Co. if I had been able to do so. At the closer price, I would have had no hesitancy in doing business with them. I would have no preference in the matter. The mail chute

people, of course, make a great deal of mystery about mail-chute equipment, but, as a matter of fact, it is a very simple proposition, and I have often wondered where the patentable features came in.

The CHAIRMAN. The device of the Cutler system is protected by a patent, is it not?

Mr. NESBIT. They claim to be thoroughly protected by patents, and they claim that every other system that has ever been attempted is an infringement on their patent rights.

Mr. MCCOY. Did you have any attorney to look up the question of the alleged infringement of the Fairfax system on the Cutler system?

Mr. NESBIT. No, sir; I did not, and when I tell you the price of these equipments you will understand that a builder in my position could not afford to go to the expense of employing a lawyer to look into the various claims. The difference in price in this case was \$400 practically, and from my standpoint it would have been a waste of time and money to employ an attorney to represent me in that matter. The owners ultimately have to pay the cost of that manufacture. If a mail chute is installed at a cost of \$1,500 the owner will pay for it, because the builder figures that as one of the items of expense. In this Woodward Building we are installing an equipment that is costing between \$1,500 and \$1,600, but Mr. Woodward is paying for it, and if it cost \$10,000 it would be just that much more profit to the builder.

Mr. AUSTIN. Have you taken this matter up with the Post Office Department?

Mr. NESBIT. Only on our request for the names of manufacturers who install the equipment.

Mr. AUSTIN. Have you told them of this difference in the two systems?

Mr. NESBIT. No, sir.

Mr. AUSTIN. Have you notified them of that consolidation and absorption that you mention?

Mr. NESBIT. No, sir.

The CHAIRMAN. How long, if you know, Mr. Nesbit, has this St. Louis system and the Cutler system been approved by the Post Office Department to the exclusion of all others?

Mr. NESBIT. I have no way of knowing that, but I have observed in my travels about the country and in my efforts to get competition that the St. Louis concern had been for quite a long time a competitor in the field. If you will notice the mail-chute equipment in new buildings, or recent buildings, particularly around Washington, you will see a good many of the St. Louis systems, and that will apply more generally as you go farther west.

Mr. AUSTIN. Now, there was real competition between these two concerns until the date of the consolidation?

Mr. NESBIT. Yes, sir; very bitter competition.

Mr. AUSTIN. It was not a combination or trust then?

Mr. NESBIT. No, sir.

The CHAIRMAN. That extended up to the time that the two firms were merged?

Mr. NESBIT. Yes, sir; I knew nothing of the merger until it was intimated to me by the architects on this Woodward Building. We started in there about the 1st of February, and I then learned, *probably* a month after that, of this merger.

Mr. ALEXANDER. Do you know when the merger took place?

Mr. NESBIT. Not earlier than the first of the year, from the information I have.

Mr. AUSTIN. Of the present year?

Mr. NESBIT. Yes, sir.

Mr. AUSTIN. How many competing chute systems are there on the market?

Mr. NESBIT. Absolutely none at the present time. The mail-chute business is the closest monopoly I have ever heard of or have ever had any experience with. There is no competition and no effort at the present time to install mail chutes except by the Cutler Co., and if they want to ask you \$10,000 for a chute you must pay it or go without a chute.

Mr. AUSTIN. But they do not ask that, do they?

Mr. NESBIT. No, sir.

Mr. AUSTIN. What is your suggestion in the line of a remedy?

Mr. NESBIT. There are only two suggestions that I have. This is a product that ought to be subject to competition by competitive manufacturers. If this is impossible by reason of the patent rights, which one company may control, by purchase or otherwise, then it strikes me that it is a legitimate proposition for the Government itself to install the chutes. It is as much a feature of the postal system as the letter boxes are on the street; and if that business, by the help of the department, is permitted to become a monopoly in the hands of one manufacturer, then it is time to put it out of competition or for the Government itself to take it over, as I look at it.

Mr. AUSTIN. But the boxes are patented, and the original makers or patentees control the patent?

Mr. NESBIT. Yes, sir; but the Government installs them. The Government buys them.

Mr. AUSTIN. But they buy from the manufacturers just as you are buying mail-chute equipment?

Mr. NESBIT. Yes, sir.

Mr. AUSTIN. Then your suggestion and your idea is for Congress to amend the law so as to purchase these without competition from the manufacturers?

Mr. NESBIT. No, sir; I do not advocate any such thing as that. I am opposed to monopoly in manufacturing, and I feel that it should not be possible for any manufacturer to monopolize an important general utility item such as a mail chute, which is required in every modern building. It is absolutely necessary.

Mr. McCoy. Would you make this suggestion: That the department go out of its way, as far as it legitimately can do, to see that there is competition?

Mr. NESBIT. Yes, sir; that is my feeling; you have very nicely worded my feeling on the subject.

Mr. AUSTIN. But if there is only one patent you would have to amend the patent laws in order to accomplish that, would you not?

Mr. NESBIT. Yes, sir; but there are dozens of patents. I venture to say that Mr. Naulty will claim a half dozen or more patents, and the Cutler Co. will claim a long list of patents. The St. Louis concern has patents which are doubtless now under the control of the Cutler Co., and the other companies which have previously been doing business in this line have patents.

Mr. AUSTIN. Has the Cutler Co. all the patents there are in the country?

Mr. NESBIT. The Cutler Co. has finally succeeded in getting the absolute control of the business, either by the purchase of the companies, or by the purchase of the stock or a controlling interest in the stock in the companies, or by the purchase of patents. In one way and another, they have absolute control of that business at the present time, and, with the recognition of the Post Office Department, as I have said, the business has arrived at a point where there is absolutely no competition.

Mr. McCoy. Have you talked with other architects and builders upon this subject?

Mr. NESBIT. Yes, sir.

Mr. McCoy. What is the general opinion expressed by the builders and architects with whom you have talked?

Mr. NESBIT. The general opinion is that this is a shameful monopoly which should not be countenanced, because it can not continue in business without the recognition of the Government.

Mr. AUSTIN. Have you called the attention of the Attorney General to this case?

Mr. NESBIT. No, sir.

Mr. McCoy. I have just suggested to Judge Alexander that we would have a copy of this hearing sent to him.

Mr. NESBIT. I say this, but not from my own knowledge, but I am told that there were some very interesting events in connection with the absorption of the St. Louis company by the Cutler Co., and the previous merger of the St. Louis company. I do not know the name of the person who could give this information, but he could be found.

Mr. McCoy. Will you give us his name?

Mr. NESBIT. I will get it for you. If you can secure his testimony, I am quite sure that you will find it very interesting.

Mr. McCoy. Did the representative of the Cutler Co., who called on you in connection with the Wiss Building, go into the details as to the rights under which they claimed that the Naulty device infringed their patent?

Mr. NESBIT. Yes, sir. In the first place they make the broad claim that Mr. Naulty has no patent; they claim that he has nothing that amounts to anything. They absolutely claim everything in that line. I suppose that is general in all lines of business. They ridicule the idea that he is able to do business, either from the financial standpoint or from the standpoint of patents. They claim that he is simply not to be reckoned with. That is the attitude they assume in connection with all people who attempt to do business in this line of work.

Mr. McCoy. Do you happen to know who is interested in a large way in the Cutler Co.?

Mr. NESBIT. No, sir; I do not.

Mr. ALEXANDER. These are mail chutes out here, are they not?

Mr. NESBIT. The perpendicular chutes?

Mr. ALEXANDER. Yes.

Mr. NAULTY. They are made by the Automatic Mail Delivery Co. That has also been absorbed.

Mr. AUSTIN. Where is that company located?

Mr. NAULTY. In New York City.

Mr. NESBIT. I know what Mr. Naulty says as to the absorption is a fact.

The CHAIRMAN. Do you know what other mail chute companies have been absorbed by this Cutler Co.?

Mr. NESBIT. No, sir; I do not, but the Cutler Co. has been very active in the last few years throttling competition. Probably, in the last five or six years, the Automatic Co. and St. Louis company and possibly one or two others whose names I have not in mind, would cover all the competition we have had at any time during the period of which I speak.

Mr. McCoy. Do you know whether the Cutler Co. has a representative in Washington?

Mr. NESBIT. I am not informed on that subject. Their New York representative comes here, and I have seen him here.

Mr. McCoy. Did you see him in the Post Office Department building or in a private building?

Mr. NESBIT. I saw him in the architect's office—that is, the architect for the Woodward Building; that is the only time I have seen him here.

Mr. AUSTIN. I understood you to say at the beginning of your testimony that there were only two chutes that had been approved by the Post Office Department?

Mr. NESBIT. Yes, sir.

Mr. AUSTIN. Was one of them the chute furnished by the Fairfax Co.?

Mr. NESBIT. The Post Office Department has indicated to us the approval of only two chutes.

Mr. AUSTIN. Was one of them manufactured by the Fairfax Co.?

Mr. NESBIT. No, sir; one was manufactured by the United States Mail Chute Equipment Co., of St. Louis, and the other by the Cutler Co., of Rochester, N. Y.

Mr. AUSTIN. The Automatic Co. has been permitted to put chutes in this building, has it not?

Mr. NESBIT. I do not know anything about it; the only information I have been able to get from the Post Office Department is such information as they see fit to give. I wrote to them requesting a statement of such systems as were approved, and they replied that the two makes were approved.

Mr. McCoy. Do you understand that the Automatic Co. has been absorbed by the Cutler Co.?

Mr. NESBIT. Yes, sir.

Mr. AUSTIN. So when they approved the Cutler Co., they approved whatever they made?

Mr. NESBIT. Yes, sir.

Mr. AUSTIN. And that included approval of the automatic system?

Mr. NESBIT. Yes, sir.

Mr. ALEXANDER. When was the Automatic Co. absorbed by the Cutler Co.?

Mr. NESBIT. I do not know the date of it, except in a general way.

Mr. AUSTIN. I thought you stated that it was during the present year.

Mr. NESBIT. No, sir; that was the St. Louis concern.

Mr. AUSTIN. When did the department notify you that two companies had been recognized?

Mr. NESBIT. About the 1st of March, I think, of this year. I think I could get that letter¹ from my files, if you desire it; that is, the communication I received from the Postmaster General.

Mr. MCCOY. Will you do that and send it to us?

Mr. NESBIT. Yes, sir.

Mr. MCCOY. I want to ask you whether you have submitted estimates for buildings in which mail chutes were called for, where you have not secured the contract?

Mr. NESBIT. I beg your pardon, sir.

Mr. MCCOY. Have you submitted any estimates for buildings where you were not the successful bidder and in which mail chutes were specified?

Mr. NESBIT. Yes, sir; mail chutes are required in all modern office buildings. Every building of that character has a mail-chute equipment.

Mr. MCCOY. In these instances, where you have not been the successful bidder and mail chutes were specified, did they specify those manufactured by the Cutler Co.?

Mr. NESBIT. No, sir; there are two ways of specifying mail chutes. The architect, as a rule, hesitates to specify goods of a special manufacture, because it raises the intimation that he is inclined to want a particular line, and mail chutes, as a rule, are specified subject to the approval of the Government or the Post Office Department. That is the way the specification goes out to the builders. Frequently the owners or architects retain that feature of the building for a direct contract with the manufacturers, and in these cases the builder does not come in touch with the proposition.

Mr. ALEXANDER. Have you investigated the Naulty device, or mail chute?

Mr. NESBIT. I have investigated it to the extent of finding it satisfactory to us, and in connection with the Wiss Building, in Newark, N. J., it satisfied the architect.

Mr. ALEXANDER. Taking it as a competitor with other devices, for instance, that of the Cutler Co., has the Cutler device any superior merit over the Naulty device?

Mr. NESBIT. None that I can see, but they will tell you a whole lot of superior points about it. You know a good salesman can make other competition look very pale.

Mr. AUSTIN. Even contractors can do that.

Mr. NESBIT. I do not know so much about that. I am sure, if you will listen to Mr. Naulty, he will convince you that there is no merit at all in the Cutler stuff.

Mr. NAULTY. I am perfectly willing to admit that they make a first-class chute.

Mr. AUSTIN. You do know, as a matter of information, that the department has a commission to pass upon all this mail equipment and to select what they believe to be the best suited for the service?

Mr. NESBIT. I assume that to be the fact.

Mr. AUSTIN. Now, you spoke of failing to secure the contract for buildings in which the mail chute was a mere incident. Of course contractors would want to bid on the construction of an office building.

¹ Appears in hearings of June 19.

Mr. NESBIT. Yes, sir; but the item of mail chutes is so infinitesimal that it is a mere incident as compared with the cost of the building. It does not cut any figure at all. This office building I speak of in Washington will cost nearly a million dollars, but the mail chute costs only \$1,500 or \$1,600. It is such a little thing that the public will overlook it.

Mr. AUSTIN. I would be very glad to help you in any way I can, but suppose every man at this table owned a patent mail chute, and should sell them all to you. What are you going to do about it under existing law? How can I be prevented from selling my patent to you?

Mr. NESBIT. The existing law has seemed to be the subject of a good deal of comment at the present time, and I infer from the temper of Congress that they are going to try to make some changes in the existing laws. I am not a lawyer myself, and I am not going to attempt to say how this condition should be overcome, but it is a condition, and it is one that very properly should be considered and coped with in some way.

Mr. AUSTIN. Here is an article that the Government or the public must have; that is, a mail chute, but there is no law to prevent the makers, patentee, or inventors of mail chutes from disposing of that property, and selling it all to one company; absolutely none.

Mr. MCCOY. There might be under the Sherman law.

Mr. AUSTIN. The Sherman law would not prevent us from selling our property.

Mr. NESBIT. Absolutely; there has been no law to prevent the selling of the various steel companies to the United States Steel Corporation. The very same conditions that affect the manufacture of mail chutes affects the manufacture of any other property.

Mr. AUSTIN. In this case, you say, there is an absolute monopoly?

Mr. NESBIT. Absolutely; this mail chute trust can make all other trusts sit up and take notice. It is a beautiful proposition. It is such a little thing comparatively that the public generally are not informed about it. As I say, the cost of a mail chute is so small in comparison with the cost of the building, that the people do not think about it. I personally feel so much incensed about their methods of doing business that I have felt that I would try to break in there myself some day.

Mr. AUSTIN. What do you think of Judge Gary's idea of fixing the price of these chutes?

Mr. NESBIT. I do not think much of that proposition.

Mr. MCCOY. You prefer the Victor Berger idea of having the Government take it up on a socialistic basis?

Mr. NESBIT. I am not strong on socialism or Government control. As a general proposition, I favor competition. I have not made much money except in competition.

Mr. AUSTIN. And you do not want to carry that to the point where you lose money?

Mr. NESBIT. No, sir. I admire men who can effect competition. I admire Cutler Co. for their success, and probably if I were interested in the Cutler business I would like to keep it right where it is, but I do not think that way of doing business is conducive to healthy conditions.

Mr. McCoy. Then your feeling is not exactly one of admiration?

Mr. NESBIT. Not for that combination; no, sir. The general products of manufactories is generally subject to competition, more or less, and in my business I know of nothing where we are unable to get some competition in, except that one little single item of mail chutes.

Mr. TOWNER. In this case, you have two things to complain of. In the first place, this is almost exclusively a monopoly.

Mr. NESBIT. I should not say almost; it is a monopoly.

Mr. TOWNER. Well, let us wait and see if that is true. Here is Mr. Naulty, who has a lot of patents, and is anxious to compete with this company, so there can not be a monopoly so long as he is able to compete with it.

Mr. NESBIT. But he is not able to compete with it.

Mr. TOWNER. There are two things you have to complain of; one, that it is almost exclusively a monopoly, and the other is a question of favoritism on the part of the Government, is it not?

Mr. NESBIT. I do not wish to say it is favoritism, because I am not technically acquainted with the respective merits of these claims for patent protection, but I do say that the Post Office Department recommends the monopoly work—whether legally or not, I am not prepared to say.

Mr. TOWNER. Well, now; if the Post Office Department should recommend Mr. Naulty's device to-morrow, would not that place it immediately in competition with the device of the Cutler Co.?

Mr. NESBIT. It certainly would.

Mr. TOWNER. Then the Cutler Co. would have competition, would it not?

Mr. NESBIT. Yes, sir; from the moment some other manufacturer was permitted to install the mail chutes.

Mr. TOWNER. Would they not, in this case, have Mr. Naulty? If his device was approved by the Government to-morrow, Mr. Naulty could go into competition with this company at once?

Mr. NESBIT. Yes, sir; if the public was notified of that fact.

Mr. TOWNER. What I want to bring out and see if it is not true is this: In this particular case, because of the fact that it must be approved by the Government, there are two methods by which the company might acquire or may have had a monopoly—first, because of the absorption of other companies, and the second, because of the approval of the Government; is not that true?

Mr. NESBIT. Yes, sir; that is true.

Mr. TOWNER. Now, if there was all the competition in the world, and the Government only approved one device, then you would be subject to such prices as they make on their request?

Mr. NESBIT. Yes, sir.

Mr. TOWNER. Or, on the other hand, if there were half a dozen devices that had been approved by the Government, and some one of these had absorbed all the others, you would still be subject to a monopoly, and would have to pay any price they might put upon it?

Mr. NESBIT. Yes, sir.

Mr. TOWNER. Then there are two methods in this case through which you might be subject to the want of competition or the failure of competition?

Mr. NESBIT. Yes, sir; ~~but the~~ mail-chute system, as a general proposition, is not different from ~~the~~ business of other combinations that the people have staring them in ~~their~~ faces to-day.

Mr. TOWNER. Except, in this case, it must be approved by the Government before it is used by you?

Mr. NESBIT. Yes, sir; and it is very proper that it should be.

Mr. TOWNER. When you go to buy your window glass you also have a monopoly, but that does not have to be subject to any approval from the Government, as in this case?

Mr. NESBIT. No, sir; an approval from the Government, if it goes to a monopoly, is a great help to that monopoly. It is very essential to them.

Mr. TOWNER. And it would be a help to an individual?

Mr. NESBIT. Yes, sir.

I may be tiring the committee by reiterating these statements, but in my business, notwithstanding this talk about trusts and combinations among manufacturers, we have not a single item that we are interested in that is not subject to some sort of competition. Some of this competition is very keen and general.

Mr. McCoy. In the brick business, for instance?

Mr. NESBIT. Yes, sir; that is very stiff.

Mr. McCoy. And in structural steel?

Mr. NESBIT. It is very strong in structural steel.

Mr. McCoy. Can you buy structural steel on which any work has been done at all in competition with the domestic producers of it now?

Mr. NESBIT. I have never tried that, but, notwithstanding all this talk about the steel trust and combinations, the builder can get all the competition he wants; there is no difficulty about that. On every single item that goes to make a finished building, you can get competition, except in the mail chute.

Mr. McCoy. Now, if that condition should obtain all the way down the line, there would be pretty good competition.

Mr. AUSTIN. Have you called the attention of the department to the fact that this company has absorbed all of its rivals?

Mr. NESBIT. No, sir.

Mr. TOWNER. Let me say here that if there was intense competition between these two companies, and the other has been absorbed by the Cutler Co., that would come absolutely within the decision of the Supreme Court in the Tobacco Trust case.

Mr. NESBIT. It is a parallel case.

Mr. ALEXANDER. What influence did this consolidation have on the price of these mail chutes?

Mr. NESBIT. Well, I will tell you the influence it had on it; the cost of mail-chute equipment is in the box; that is, the receiving letter box at the bottom of the chute. They can be made expensive or otherwise. They have various models. The mail-chute equipment in this Wiss Building cost about \$1,000; that was for a 10-story building. In this Woodward Building the equipment cost between \$1,500 and \$1,600; that is for an 11-story building. I can only judge by this comparison that there has probably been an increase in the cost of these chutes of from \$200 to \$300.

Mr. McCoy. The two installments were the same, except that one ran one story higher than the other?

Mr. NESBIT. Yes, sir; and the box in the Washington building is probably a little more expensive than the one in the Wiss Building.

Mr. AUSTIN. Have you ever had an investigation made as to the profits on one of these chutes?

Mr. NESBIT. No, sir; I would hesitate to say.

Mr. AUSTIN. You might drop the contact business and go into the mail-chute business yourself?

Mr. NESBIT. Yes, sir; I know if I was running a monopoly I would expect to get profits from it.

This is an interesting subject, and if you could get in touch with the St. Louis man I spoke of, I am sure he could give you some information.

If that is all, gentlemen, I will retire.

STATEMENT OF MR. EDWIN FAIRFAX NAULTY, 150 FIFTH AVENUE, NEW YORK, N. Y.

The CHAIRMAN. Where are you located, Mr. Naulty?

Mr. NAULTY. At 150 Fifth Avenue, New York.

The CHAIRMAN. What is your business?

Mr. NAULTY. At the present time I am the president and general manager of the Fairfax United States Mail Chute System. However, I have other interests besides that.

The CHAIRMAN. How long have you been connected with this company in the manufacture of mail-chute devices?

Mr. NAULTY. I organized it in 1905, and became its president in December, 1905, and I have been its president and general manager ever since.

The CHAIRMAN. Will you state to the committee whether or not you are the inventor of this device, known as the Fairfax Mail Chute System?

Mr. NAULTY. Yes, sir; I invented a locked mail chute, which was sold, or rather, the United States right to produce, was sold to the Fairfax United States Mail Chute System. That is a New York corporation. It was organized as a corporation, and the United States rights under my patent rights were transferred to it. The reason that seemed to be the better mode of doing business was that we could secure the interest of other men better than we could by means of individual effort or copartnership. That was done in 1905. The company was forced into the hands of a receiver in 1907. I released the company from the receivership by personally assuming all the obligations of that company, and relinquished against the company certain obligations it had toward me. My sole reason for doing that was, or rather the great reason was, that this was an organization of which I was the father, and I felt considerable pride in it, probably the natural pride of an inventor who has worked out something and seen it come to fruition. Naturally, I strongly desired to keep this baby alive.

Mr. McCoy. How many patents do you own on mail-chute devices?

Mr. NAULTY. One.

Mr. McCoy. State in a general way what is your claim under that patent.

Mr. NAULTY. Would the filing of the actual patent answer that?

Mr. McCoy. Yes.

Mr. NAULTY. May I be permitted to file a copy of the patent?

The CHAIRMAN. Yes; you have that permission.

[Specification of Letters Patent No. 802,468, patented Oct. 24, 1905. Application filed June 8, 1905. Serial No. 284,298.]

MAIL-CHUTE.

To all whom it may concern:

Be it known that I, EDWIN FAIRFAX NAULTY, a citizen of the United States, residing at New York, in the county of New York and State of New York, have invented a new and useful locked mailing apparatus, mail-chute, or mail-tube so constructed and assembled that all parts composing such apparatus are fastened and securely held in place under lock and key by concealed devices, which devices are in turn securely held in place and fastened under lock and key by a new and useful locking device or devices, of which the following is a specification.

My invention relates to a new and improved form of mailing apparatus, mail-chute, or mail-tube in that the apparatus may be securely affixed to a wall or other upright construction in such a manner that the affixing and supporting fastenings are concealed from view and may not be removed except by unlocking and taking off and apart the locking devices hereinafter described.

My invention relates to a new and improved form of construction of mailing apparatus, mail-chute, or mail-tube in that the separate parts of such apparatus are fitted and made and assembled together in such manner that they are held together and in place securely, thus forming such apparatus complete by a series of devices which, in conjunction with such assembled parts, constitute a new and useful locked mailing apparatus, mail-chute, or mail-tube for the purpose of carrying downward letters or mail from the upper and intermediate floors of buildings to a receptacle located on the lower floor.

The object of my invention and my improved form of construction and design of parts is to provide a mailing apparatus, mail-chute, or mail-tube which may be locked together and held in place on a wall or other upright form of construction so that it cannot be taken down or taken apart or opened or interfered with or robbed by an unauthorized person, and yet which is so constructed that it may be readily taken down or taken apart by an authorized person provided with a proper key for the purpose of cleaning or clearing or repair or other proper purpose; and also the object of my invention and my improved form of construction and parts is to provide a safe and secure means under lock and key of mailing or posting or inserting letters or mail in a mailing apparatus conveying downward such letters or mail from the upper and intermediate stories or floors of buildings to a receptacle located on the lower story or floor, from which they may be collected by authorized collectors. I attain these objects by the mechanism illustrated in the accompanying drawings, in which—

Figure 1 is a cross-section showing my invention of a locked mailing apparatus, mail-chute, or mail-tube complete; and Fig. 2 is a detailed view in cross-section and elevation of certain of the various new and improved parts which when assembled form my invention of a new and useful locked mailing apparatus, mail-chute, or mail-tube. Figs. 3, 4, 5, 6, and 7 are views of parts in detail.

On Fig. 2 of the annexed drawings the first part A consists of a back, or wood or metal or marble or glass or tile or any other suitable material, into the face of which are cut, let into, drawn, or stamped two parallel and continuous grooves, channels, or recesses marked *a a*. Into the bottom of these grooves are fitted bolts or other means of fastening the back A to a wall or other form of upright construction. These bolts are marked *a x a*, and the shafts of the bolts are sunk through the material of the back and fastened to a wall or other form of upright construction, and their heads are sunk below the bottom of the grooves, so the said heads of the bolts may not interfere with the exact fitting and engagement of other parts adapted to be fitted in the grooves, channels, or recesses. At other stated distances are also fitted into the grooves *a a* the parts marked B and *b b*, which are fastened to the back A by the parts marked *b i b*.

Over the back A is fitted the metal facing C, which is made with grooves marked *c c*, which closely fit into the grooves of A marked *a a*. Into the bottom of *c c* at stated distances are cut apertures of sufficient size to permit the passage through them of the parts *b b* of B. Into the grooves *c c* are fitted the parts marked *d² d* of the sides marked D. The sides marked D are made of metal, rolled, bent, drawn, or cast, so that they shall present the grooves, channels, recesses, or moldings marked *d' d* and *d² d* and *d d*, said grooves or channels being of any cross-sectional form suited to the purpose.

Into the bottom of the parts $d^2 d$ at stated distances are cut apertures of sufficient size to permit the passage through them of the parts marked $b b$, and these apertures correspond with the before-described apertures in the part $c c$.

Into the parts or grooves of D marked $d' d$ is fitted by slipping downward the glass front marked E. Into the glass front E may be cut or left at stated distances openings or apertures fitted with a special mailing-slot (the subject of another application for patent) for the insertion of letters or mail into the completed locked mailing apparatus.

The grooves, channels, recesses, or moldings of D marked $d' d$ are of sufficient depth and strength to hold securely in place the glass front E; but for greater security and also for the purpose of ornamentation the parts $f f$ of the bonding part F are placed at stated distances in the half-round grooves $d d$ of the sides D and are there held in place by the form of the grooves $d d$, or they may be fitted permanently into $d d$ with solder, if desired. The particular form of part F is not essential, however, to the construction of my invention.

The assembly of the parts A, $a x a$, B and C, with their new form of construction, application, and use, form the back of my invention, and the assembly of the parts D, E, and F, with their new form of construction, application, and use, form the front and sides of my invention.

For the purpose of strengthening the apparatus and of holding in place the completed sections and of locking them in place I have devised the part I. The part I is made of metal shaped by bending, drawing, or other process so that it forms a band in the form of a channel or a channeled band from the edge $y y$ to the edge $z z$. The ends of the sections of my invention fit into the part I, and the sections of glass front E are prevented from slipping downward by the cross-piece $w w$, which is fastened as shown and which is less than the thickness of the glass front E. Into the back grooves of I are cut apertures corresponding to the apertures in the parts $c c$, through which pass extra parts B and $b b$, and the part I is locked in place then by the part G and a special device I X L, which is later explained and illustrated.

The part J is made substantially the same as described with reference to part I, except that it is made wider and that in it is cut or left an opening which of itself may be used as a mailing-slot or which may be used to contain or hold or be fitted with a special mailing-slot device, in which case two of the cross-pieces marked $w w$ are applied to the part J, as described.

The apparatus being assembled, the metal device marked G, with the apertures $g g$, is slipped into place in the grooves $d^2 d$ of the sides D, the apertures $g g$ engaging the parts $b b$ and the device G wholly filling the grooves $d^2 d$. The parts $b b$ project through the apertures $g g$ of G, so that when the lock I X L is placed over them the parts $b b$ are exactly engaged by the parts of the lock I X L marked $v v$, so that when the bolt p of the lock I X L is shot into place by a proper key the whole apparatus is not only lock-fastened to the wall or other form of upright construction, but is also securely fastened together and held in position, and the various parts are locked in place in such manner that all fastenings are concealed and are under lock and key.

The locking device I X L is made with an outer casing of seamless die-struck or cast metal, and into the inner top of this casing are fitted the various parts of the lock. The under part of the lock I X L is left open, so that it may be quickly placed over and its parts engage the staples $b b$ and wholly cover them and by so doing wholly conceal the methods of locking and fastening.

I am aware that prior to my invention mailing apparatus and mail-chutes have been made; but I claim to be the original inventor of a mailing apparatus, mail-chute, or mail-tube made for the purpose of conveying downward mail or letters from the upper and intermediate floors of buildings to a receptacle on a lower floor, which is constructed of parts so made and fitted that the apparatus is held in place and securely fastened to or on a wall or other upright form of construction by concealed fastenings and which is so made and fitted that the parts of the apparatus are securely held together and locked in position by the application of my locking device and its combination with the several parts of my apparatus, so that my apparatus may not be taken down or apart by an unauthorized person, and yet may be readily taken down or apart by an authorized person holding a proper key.

I claim—

1. In a mail-chute, the combination of a detachable, flanged channel, embodying elements forming the front and sides of a mail-chute, and a back adapted to said detachable, flanged channel, said back adapted to be permanently fixed on or to a wall or other form of upright construction.

2. In a mail-chute, the combination of parallel channels, grooves, or indentations in a back and a detachable flanged channel forming the front and sides of a mail-chute.

3. In a mail-chute, the combination of parallel channels or grooves or indentations in a back and fastening devices applied to said back, said devices adapted to secure the mail-chute against a wall or other form of upright construction and to be concealed by other elements of the mail-chute.

4. In a mail-chute, the combination of a back permanently fixed to a wall and fastening devices adapted to the sides of the chute or the flanges of the detachable, flanged channel, said devices adapted to be locked to locking devices and to be concealed by said locking devices.

5. In a mail chute, the combination of apertured flanges in a detachable, flanged channel and metal locking strips adapted to said apertured flanges.

6. In a mail chute, the combination of locking devices adapted to be operated by a key and adapted to lock the front and sides of a mail chute to its back and a back.

7. In a mail chute, the combination of locking devices adapted to lock the front and sides of a mail chute to its back and to conceal the working parts of said locking devices and to conceal the fastening devices adapted to said back and also adapted to said locking devices, and a back.

8. In a mail chute, the combination of locking devices adapted to lock the front and sides of a mail chute to its back and to conceal the working parts of said locking devices and to conceal the fastening devices adapted to said back, and a back with concealed fastening devices applied thereto.

9. In a mail chute, the combination of a detachable, flanged channel, forming the front and sides of a mail chute, adapted to locking devices applied thereto, and a channeled back adapted to said detachable flanged channel, and provided with concealable fastening devices.

10. In a mail chute, the combination of metal sides adapted to a glass front, a glass front, and a suitable bond adapted to the fronts of the metal sides to form a detachable, flanged channel with a transparent bottom.

11. In a mail chute, the combination of a detachable, flanged channel, with a transparent bottom bonded therein, forming the front and sides of a mail chute and a back.

12. In a mail chute, the combination of a detachable, flanged channel, with a transparent bottom, provided with outward-projecting flanges adapted to channels in a back and a channeled back adapted to said outward-projecting flanges.

13. In a mail chute, the combination of a detachable, flanged channel with a transparent bottom and locking devices, adapted to be actuated by a key, for locking said channel to a back and a back.

14. In a mail chute, the combination of a back provided with fastening devices and locking devices applied to a detachable, flanged channel with a transparent bottom.

15. In a mail chute, the combination of a detachable channel with a transparent bottom and a back provided with fastening devices as set forth.

16. In a mail chute, the combination of a detachable metal channel or band, with or without mail-insertion openings, and means adapted to be actuated by a key, for locking said channel or band to a back or backing.

17. In a mail chute, the combination of a detachable metal channel or band, with or without mail-insertion openings, means adapted to be actuated by a key, for locking said channel or band to a back or backing and a back.

18. In a mail chute, the combination of a detachable metal channel or band, with or without mail-insertion openings, means of locking said channel to a back or backing, a back and means of fastening applied to said back and adapted to means of locking.

19. In a mail chute, the combination of a detachable metal channel or band, with or without mail-insertion openings, concealable means of fastening applied to a back or backing and means of locking said channel to a back or backing, said means of locking adapted to conceal said means of fastening.

20. In a mail chute, the combination of a detachable metal channel or band, with flanges on its open edges, provided with an opening adapted to a lockable mailing slot or device and means, adapted to be actuated by a key, for locking said metal channel or band to the back of a mail chute.

21. In a mail chute, the combination of a detachable metal channel or band, with flanges on its open edges, with or without an opening for the insertion of mail and with metal or other cross pieces adapted to the ends of glass fronts

of a mail chute and means, adapted to be actuated by a key, for locking said channel or band to a back or backing.

22. In a mail chute, the combination of a metal channel or band, as described, and removable means, adapted to be actuated by a key, for locking said channel or band to a back or backing.

23. In a mail chute, the combination of a metal channel or band, as described, removable means, adapted to be actuated by a key, for locking said channel or band to a back and a back.

24. In a mail chute, the combination of a metal channel or band as set forth, removable means of locking said channel to a back or backing, a back or backing and means of fastening adapted to said means of locking and adapted to be applied to a back or backing.

25. In a mail chute, the combination of a metal channel or band as set forth, removable means of locking said channel to a back or backing, a back or backing, and concealable means of fastening applied to said backing or back and adapted to said means of locking.

26. In a mail chute, the combination of a metal channel or band as set forth, means of locking said channel to a back or backing, a back or backing concealable means of fastening applied to said back or backing and grooves, channels or indentations in said back or backing adapted to said concealable means of fastening.

27. In a mail chute, the combination of a detachable channel with a transparent bottom, a back and removable means adapted to be actuated by a key for locking the two together.

28. In a mail chute, the combination of sides and a back and removable means, adapted to be actuated by a key for locking the sides and back together.

29. In a mail chute, the combination of a detachable, flanged channel, with a transparent bottom, a back, removable means of locking the two together, and concealed fastening devices applied to the back, said devices adapted to the removable means of locking.

30. In a mail chute, the combination of a detachable channel, a back, locking and fastening devices applied, respectively, to each, and means actuated by a key for effecting the locking together of the parts.

31. In a mail chute, the combination of a detachable channel, a back and removable means effecting the locking of the channel to the back actuated by a key.

32. In a mail chute, the combination of a detachable section composed of metal sides, a glass front, and a bonding device (these parts forming a detachable channel with a transparent bottom), a metal channel or band with a mail-insertion opening therein, and means of locking adapted to be actuated by a key for locking the sides of said section to a back and a back.

33. In a mail chute, the combination of a detachable section as described, provided with flanges on its free edges adapted to channels in a back, and a back or backing provided with channels and fastenings and removable means of locking the section as described to the back.

34. In a mail chute, the combination of locking strips adapted to the flanges of the section as described, and adapted also to fastenings applied to the back, and removable means of locking the locking strips to the fastenings applied to the back.

35. In a mail chute, the combination of a removable lock made with an outer casing, open at the back with working parts fitted therein adapted to be actuated by a key and adapted to means of fastening applied to lockable parts of an apparatus.

36. In a mail chute, the combination of a removable lock as described, adapted to lock together parts of a mail chute, and fixed fastenings applied to other parts of a mail chute, said fixed fastenings adapted to the working parts of said removable lock.

37. In a mail chute, the combination of a removable lock as described, adapted to lock together parts of a mail chute, and fixed concealed fastenings applied to other parts of a mail chute, said fixed concealed fastenings adapted to the working parts of said removable lock.

38. In a mail chute, the combination of a lock made as described for the purpose of concealing the parts to which it is fastened, but fitted to another element of an apparatus so that the lock is fixed, but the part to which it is applied may be removable.

39. In a mail chute, the combination of a permanently fitted back of wood and a metal facing adapted to said back.

40. In a mail chute, the combination of a back provided with grooves, channels, or indentations, and a facing of metal or other suitable material provided with grooves, channels, or indentations adapted to the grooves, channels, or indentations of the back.

41. In a mail chute, the combination of a wood back, a facing of metal, or suitable material and fastening devices adapted to be applied between the wood back and the facing.

42. In a mail chute, the combination of a wood back provided with channels, grooves, or other indentations, a facing of suitable material, and apertures in the facing adapted to means of fastening applied to the back.

43. In a mail chute, the combination of a channeled back, sides secured in said channels, and a slippery facing to said back.

44. In a mail chute, the combination of two or more suitable materials, each provided with channels adapted to the other to form the back of a mail chute.

45. In a mail chute, the combination with a channeled back of fastening devices applied to the channels so their shanks pass through the substance of the back and engage a wall or other form of construction while their heads are sunk slightly below the bottoms of said channels.

46. In a mail chute, the combination of fastening devices adapted to be fastened by one part thereof to indentations in the back of the chute and provided with another part adapted to engage other parts of the chute, and fashioned to be locked to a locking device.

47. In a mail chute, the combination of a channeled back and metal sides adapted to the channels of said back.

48. In a mail chute, the combination of a back and metal sides affixed to said back and secured thereto by concealable fastenings.

49. In a mail chute, the combination of the back provided with channels, metal sides adapted to said channels, and locking devices securing them together.

50. In a mail chute, the combination of metal sides provided with channels at one edge adapted to a glass front, and with channels or flanges at the other edge adapted to channels in a back, and means in the flanges adapted to locking and fastening devices.

51. In a mail chute, the combination with a back and the flanged metal sides, and a glass front adapted to channels opposite the flanges, and devices for connecting the outer edges of the front channels of the sides, of means for locking the sides to the back.

52. In a mail chute, the combination, with a channeled back and the flanged metal sides, and a glass front, and devices for connecting the front edges of the sides together, and metal locking strips applied to the flanges of the sides and concealed fastenings applied to the back, of removable locking devices adapted to lock together the various parts of the chute.

53. In a mail chute, the combination of a removable lock made with an outer casing and provided with working parts fitted therein adapted to be actuated by a key, and concealable fastening devices applied to lockable parts of an apparatus.

EDWIN FAIRFAX NAULTY.

Witnesses:

LESLIE NAULTY.

EUGENE F. AUCAIGNE.

Mr. NAULTY. Does the committee desire a statement of the mail-chute situation, as it existed prior to my advent into that situation, filed?

The CHAIRMAN. Yes; I think it would be well for you to make such a statement to the committee as you think would be of benefit to the committee.

Mr. ALEXANDER. Just present your case in your own way.

The CHAIRMAN. You may proceed with your statement.

Mr. NAULTY. I would like, if the committee does not object to it, to answer the question Mr. Austin asked Mr. Nesbit about the conditions. This whole monopoly, irrespective of any patent question, hinges on the specifications which were embodied in a rule issued by the Post Office Department governing the installation and erection of

mail chutes, because the mail chutes must conform to these specifications.

Mr. AUSTIN. What are those regulations?

Mr. NAULTY. The regulation to which I refer provides that every mailing chute shall be so constructed that all portions of its interior may be easily reached by postal authorities, but not by other persons. It does not call for a post-office-lock mail chute; but a child could see that that was a locked mail chute—that is, a chute readily accessible to the post-office authorities, but not to other persons. In other words, the chute must be so constructed that that situation will obtain. As Mr. Nesbit said, the construction of a mail chute is really very simple.

Mr. AUSTIN. Have you been citing what the requirements of the department are?

Mr. NAULTY. Yes, sir; and I will file those rules and regulations with the committee.

The CHAIRMAN. I will say that the rules and regulations are filed with the brief, and will be printed.

Mr. NAULTY. That is an accurate copy, Mr. Chairman, very carefully revised; but the italics—or emphasis—contained in that are my own. The reason for that is that the builder is interested only in certain parts of them, and this is done for the builder, particularly as to the clause wherein the Post Office Department is made the collector for the Cutler Manufacturing Co. by saying that the builder must be paid before they will open the chute. There was a good deal of comment about that at the time.

Mr. AUSTIN. That is done to meet the mechanics-lien law.

Mr. NAULTY. It is not necessary.

Mr. AUSTIN. That is evidently the purpose.

Mr. NAULTY. The situation as to mail chutes is curious; the private individual buys it, but never goes into actual possession and ownership of it, because as soon as it is opened it automatically, under the regulation, becomes a part of the post-office service, under the care and custody of the Post Office Department, so the party paying for that, although he has technical ownership, has no practical ownership. The first mail-chute system claimed an inclosed passage for the reception of mail, and this was effected by means of a series of superposed sections fastened together at convenient points and at convenient distances, screwed to an upright support, on a wall, or other form of construction, and connected with a box at the bottom. These first mail chutes were simply screwed together—that is, the superposed sections—and were extremely simple. They were simple mechanical appliances and involved no inventive thought whatever. They are what is known in patent law as shop practice. It did not require any invention, but simply required mechanical application to conditions in mechanics, with which any mechanic should be thoroughly familiar. These chutes were first placed in office buildings, and they were gradually improved. Improvements were made on them from time to time, and some were alleged to be made by James G. and Joseph Cutler, of Rochester, N. Y. As a matter of fact, I have reason to believe that these improvements were not made by them, and that, although they are the patentees, they are not the inventors of many of the claims in their patents, or, rather, in the inventions on which they have obtained patents. What

I mean by that is that these inventions, if any were made, were made by persons in their employ as inventors, and patents were applied for by both of these individuals not as patentees or purchasers of patents, but as the actual inventors, and this, under an interpretation that has been made of the patent laws of the United States, practically invalidates their patents.

The CHAIRMAN. When was their patent obtained?

Mr. NAULTY. In 1883. So their basic patent, running 17 years, expired in 1900, leaving anybody free to make the mail chute, provided no later patented improvements were incorporated in that basic idea. From time to time, and in 1886, they applied for and obtained another set of patents, and at various times since then, running up probably to the current year. Just what the last patents are I do not know; but if the committee desires it, I can obtain a set of these patents.

Mr. McCoy. I suggest that you do that.

Mr. NAULTY. Now, mail chutes were first called to my attention just after the Spanish-American War, in the year 1899. I investigated and found that the basic patent was to expire in the succeeding year, and, in looking over the devices then in operation, I came to the conclusion that there were a great many radical faults in the construction. In the first place, the chutes were getting choked up constantly, and that seems to be due to the faulty construction of the chute itself, because on examination of cross sections of the Cutler chute I found that the edges of these chutes were rounded, and that when letters were deposited on the upper story of the buildings the tendency of the round edges was to throw the letters toward the center of the chute. It was designed for that reason to prevent the letters from catching in the grooves and seams in the chute. But as made these chutes then used only half of their apparent capacity. It acted on the chute just the same as choking the barrel of a gun acts in concentrating the shot pattern. So I devised a rectangular chute, which acted as a cylinder bored gun. It spread the letters out and it enlarged the capacity of the chute, so that it drove the duplex system out of existence, which was a two-barrel chute, locking on alternate floors, because in the duplex device at that time their chutes could become clogged by excessive mailing. The Cutlers are now confining themselves to the manufacture of single chutes.

Mr. TOWNER. Did I understand you to say that the patent you got out was on this rectangular chute?

Mr. NAULTY. Yes, sir.

Mr. TOWNER. And in what year did you get it out?

Mr. NAULTY. In 1905.

Mr. TOWNER. And you were commencing to tell us about another new patent you got out later?

Mr. NAULTY. No, sir; I referred to this 1905 patent, my only complete patent. I came down here to Washington to find out what the Post Office Department required—I think Mr. Wynne was then the Postmaster General. I wanted to know what rules and regulations governed the installation of mail chutes, and I found quite a number of orders. From time to time orders had been issued covering some changes in the construction or to meet the exigencies of the department. As I say, new orders were issued from time to time. I found,

also, that Congress had approved the device manufactured by the Cutler Manufacturing Co.

Mr. TOWNER. In what act was that?

Mr. NAULTY. I do not recollect the exact act, but the Cutlers came here to Washington and an act was passed.

Mr. TOWNER. In what year?

Mr. NAULTY. It must have been around 1900. They had it extensively advertised at that time, that the device had been approved by Congress.

The CHAIRMAN. Approved by Congress or the Post Office Department?

Mr. NAULTY. By Congress and also by the Post Office Department. They for years have advertised themselves as the sole makers.

Mr. SIEMP. Did they approve the form or the specific article?

Mr. NAULTY. I believe the Cutler device was named in this act of Congress.

The CHAIRMAN. Was it in some appropriation act, do you think?

Mr. NAULTY. I do not recollect. I might be able to look up that act.

Mr. TOWNER. That would be included in the postal laws?

Mr. NAULTY. I suppose so.

Mr. TOWNER. Will you furnish us a citation of that?

Mr. NAULTY. Yes, sir.

Mr. TOWNER. Do you suppose, Mr. Naulty, that that could have been merely a statement in a general appropriation act or in some special appropriation act, by which they simply appropriated so much money for the purchase of the Cutler mail-chute device?

Mr. NAULTY. No, sir; my recollection was that it was practically and specifically an act designed to show a recommendation of this device.

Mr. TOWNER. You are not, however, certain about that?

Mr. NAULTY. Not from memory; no, sir. I will say that unless I have the actual things before me, it is difficult for me to recall events that occurred prior to 1907, for this reason: On July 26, 1907, I collapsed from nervous prostration in New York, which was due to this very situation. I had fought these people to a standstill, and fought myself to a standstill, and was sick for six months. At that time, I had by persistent fighting succeeded in getting \$70,000 worth of contracts for mail chutes, all of which were afterwards canceled. I was forced to cancel them.

Mr. TOWNER. Who forced you to cancel them?

Mr. NAULTY. I was forced by the Post Office Department refusing me permission to install mail chutes unless I furnished an exorbitant bond—a bond impossible of fulfillment and impossible to obtain.

Mr. TOWNER. Do not say it that way. Suppose you put it this way, for instance, that you were going to install a chute that cost so much, and were required to give a bond for so much. Tell us about it as you go along.

Mr. NAULTY. Well, is it the intention for me to qualify the statement that it was impossible to fulfill that bond?

Mr. TOWNER. I do not think that is important to the committee. You say you were required to give an exorbitant bond, and of course that is a general statement that we can not tell anything about.

Mr. NAULTY. But I can explain it.

Mr. TOWNER. Yes; you could say you were to make an installation that cost such an amount and that you were required to give a bond for a certain amount, and then the committee could judge whether it was exorbitant or not.

Mr. McCoy. Mr. Naulty had started to explain why his memory of events prior to 1907 was not clear. That was simply a part of his narrative. He might proceed with his statement and then we could take that up later.

Mr. TOWNER. But I did not want that incident to pass in that general way without further explanation.

Mr. McCoy. Go on with your narrative, Mr. Naulty.

Mr. NAULTY. In June, 1905, I believe, I filed my application in the Patent Office for an improvement in mail-chute construction. That improvement consisted basically in an entirely new form of construction of mail chutes, both as to the sections, the superposed sections, and the mail chute itself. It embodied radical departures from previous construction. That application was acted upon and a patent granted to me in October of that year, a copy of which I will file with the committee. While this patent was pending, and prior to the application for patent, I came to Washington and saw the Postmaster General at that time.

Mr. SLEMP. When?

Mr. NAULTY. George Bruce Cortelyou was the Postmaster General, and to Mr. Cortelyou I pointed out the condition of the business at that time. I informed him that I had a device which I thought would be satisfactory to the department.

Mr. TOWNER. What about the business at that time?

Mr. NAULTY. Here was a mail chute which could be used by the Post Office Department in competition with the Cutler device, which was then without competition.

Mr. TOWNER. You are not complaining about the device, but simply that you had not received recognition by the department?

Mr. NAULTY. No, sir; but I did receive recognition. Postmaster General Cortelyou appointed a committee, or a special commission, to take up and investigate the entire question of mail chutes, their construction and use by the Government, and the revision of the various orders which had been issued.

Mr. TOWNER. That was in 1905?

Mr. NAULTY. Yes, sir. They organized that committee; the chairman was Postmaster Hibbard, of Boston, now dead; former Postmaster William H. Wilcox, of New York; former Postmaster Frank Wyman, of St. Louis; former Postmaster Hall Harris, of Baltimore—he may be the present postmaster; I am not sure—and Post-Office Inspector George S. Sutton. This committee held sittings at New York, and I believe at Baltimore, Washington, and Boston. I appeared before that committee and the members of it in each of these various cities, and showed my lock mail chute, or a section of it. The Cutler brothers at that time claimed to have the only locked mail chute that could be made. Postmaster General Cortelyou certainly was desirous of doing everything possible for the benefit of the service, and he hesitated about having incorporated in his rules and regulations the section calling practically for a locked mail chute, and it was not until I showed him, or rather the members of this

committee, that my device was also lockable, that they did incorporate that clause providing that it should be readily accessible to post-office authorities but not to other persons. There had been no robbery of mail chutes.

The old mail chute could be opened with a screwdriver, and this situation might obtain, that in big buildings, like in New York, where the mailing is equal to that of a population of from 50,000 to 75,000 people, that a person could go there, even without a uniform, and go to the upper story, take apart the old Cutler chute, and secure mail before it entered the box. This mail would not be under United States post-office lock. Of course we furnish a locked mail chute, and if a person desires to break into it he can do it by breaking the lock or glass. The Post Office Department desires a chute with a glass front, so that it can be seen whether letters are choked in it. I do not agree with them, because when it comes down to construction, a seamless-drawn tube can be used, and I am perfectly willing to build such chutes and put them in. But we had to meet these conditions required by the Post Office Department. In other words, we must furnish a device which would be acceptable to them, with covered glass fronts and separable parts, or superposed parts.

Mr. AUSTIN. That would meet the requirement?

Mr. NAULTY. Yes, sir. Of course, in the days of the original chutes, a seamless-drawn tube was not easily obtained.

The result of the work of that committee that summer was embodied in the rules and regulations, which is official Order No. 148, which was issued on August 8, 1905. A copy of that order is attached to the brief. Those rules and regulations, among other things, provided for the authorization and approval of mail chutes. I was given authorization—not to the Fairfax system, but to myself—in 1905 to build a United States mail chute, and that authorization was couched in this form. It is issued from the office of the Postmaster General, dated October 14, 1905, is addressed to me, and reads:

Referring to your calls at the department, and to your requests for authorization for the installation of your mailing chutes and receiving boxes, you are advised that the order of the Postmaster General, dated August 8, 1905, and numbered 148, together with the law on the subject, which is printed as section 720 of the current Postal Laws and Regulations, and is quoted in full below, now constitute the only regulations and authorization governing mailing chutes and the receiving boxes connected therewith:

“ * * * The Postmaster General is hereby authorized, in his discretion, to declare by official order that the chutes connected with mail boxes that are attached to any chute or device which may be approved by him are a part of said receiving boxes and under the exclusive care and custody of the Post Office Department.”

Under the terms of this order you can take contracts for and install as many mailing chutes as you may see fit.

As soon as it ascertained that these chutes conform to the stipulations of Order No. 138, an official order by the Postmaster General, declaring the chutes a part of the receiving boxes, as provided in section 720, will follow as a matter of course, and immediately upon receiving notice from you that you have one or more chutes in operation an inspection will be made with a view to the issuance of such order. Furthermore, if it shall be deemed necessary, proper action to legalize mailings in the first chutes you erect during the time they are undergoing test will be taken.

That is signed by Geo. B. Cortelyou, Postmaster General, and initialed by P. V. D.—Mr. De Graw, I suppose.

Under this authorization I erected and installed two chutes, one at the Westmoreland Apartment House here in Washington, which

holds the record, since during its entire operation it has only been opened once; and the other at 150 Fifth Avenue.

Mr. MCCOY. Opened once for the purpose of clearing obstructions?

Mr. NAULTY. Removing obstructions; yes.

Mr. ALEXANDER. When did you install that?

Mr. NAULTY. In 1906. It has been in operation five years.

Mr. AUSTIN. What were the initials that you said you thought were De Graw's?

Mr. NAULTY. P. V. D. I saw him at that time; in fact, I saw everybody connected with it, but I am omitting that because I do not desire to take up the time of the committee with what, after all, led up to this action. We built those chutes.

Mr. ALEXANDER. You built one at 150 Fifth Avenue, you were starting to say.

Mr. NAULTY. Yes; 150 Fifth Avenue, New York; and put it into operation. Then I began to press for an examination of those chutes, and it was then that I first ran against obstruction. This examination, for one reason or another, was put off. The examination was under the control of E. H. Thorp, who was then the superintendent of the city delivery.

Mr. SLEMP. In New York, you mean?

Mr. NAULTY. No, here; general superintendent in the Post Office Department.

Mr. AUSTIN. Is he the present Chief of Salaries and Allowances?

Mr. NAULTY. I believe so. But finally examinations were made.

Mr. MCCOY. After how long a time?

Mr. NAULTY. From the time at which the application was made for the examination, it was a year; there was a year's delay.

Mr. SLEMP. Can you give the exact dates of that? Have you a record of that?

Mr. NAULTY. From May, 1906, until March 4, 1907, the chutes were in operation, and our official order of approval was not issued because no report had been made to the Postmaster General at that time on which he could act.

Mr. AUSTIN. What reason did they give you for that delay?

Mr. NAULTY. They wanted to give the chutes ample time.

Mr. AUSTIN. For practical operation?

Mr. NAULTY. A practical test in a big office building in New York for a week is sufficient for any device. Longer is a waste of time. There has always been this delay in the department to take action on a letter, and in the meantime these mail-chute contracts were being taken.

Mr. SLEMP. You mean in the meantime that Cutler was getting them?

Mr. NAULTY. Yes. Every day's delay meant a loss of a contract, because they wrote over 300 contracts a year; the least profit in each contract being \$300.

Mr. AUSTIN. The fact that your chute was a new one, untried, would give the department grounds for wanting a longer time for a demonstration, would it not?

Mr. NAULTY. Not the department. But it did not give Mr. Thorpe sufficient excuse for delay on a chute erected by the Cutler Manufacturing Co., in which speedy action was taken.

Mr. AUSTIN. That was the original contract?

Mr. NAULTY. This was a new chute, which was just as untried as mine. It was radically different from the other chutes, and had no more basic claims for recognition on past performances than the chutes made by anybody else.

Mr. McCoy. Did you install the chute in the Westmoreland here in the city and the chute in the 150 Fifth Avenue building in New York at about the same time?

Mr. NAULTY. Yes.

Mr. McCoy. How far apart were the two installations?

Mr. NAULTY. About two months apart. I went West to put in a chute myself, and I left a foreman in New York, and he put up the chute in New York while we were away. On March 4, 1907, I received a communication from the Post Office Department, which reads:

Inclosed herewith is a copy of Postmaster General's order No. 157, approving the two models of the mailing chutes made by your company which were described in your letters of December 31, 1906, and in other communications addressed to the department.

Respectfully,

F. H. HITCHCOCK.

First Assistant Postmaster General.

It is initialed by F. H. H. and E. H. T. The copy which was sent me of this order No. 157 is dated March 2, 1907, and reads:

ORDER No. 157.

Ordered, That whereas the mailing chutes designated as type A, 1905 model, and type 1, 1906 model, made by the Fairfax United States Mail Chute System, of New York, N. Y., appear to conform to the present requirements, it is declared, in accordance with the act of Congress approved January 23, 1893, that in all mailing apparatus of these styles heretofore installed or to be installed hereafter, under the regulations of the department, the chutes shall be considered parts of the receiving boxes and shall be under the exclusive care and custody of the Post Office Department.

GEO. B. CORTELYOU, *Postmaster General.*

The CHAIRMAN. Is not that a copy of the same order that you file with your brief?

Mr. NAULTY. I believe so; yes, sir.

Mr. McCoy. It will not do any harm to have it right here as a part of the narrative.

Mr. ALEXANDER. That section to which you refer is section 720?

Mr. NAULTY. Of the Postal Laws and Regulations.

Mr. ALEXANDER. The one you just quoted?

Mr. NAULTY. Yes.

Mr. SLEMP. It seems that this letter of Mr. Hitchcock, dated March 4, 1907, refers to your letters of December 31.

Mr. NAULTY. Yes.

Mr. SLEMP. I understood you to state a few moments ago that you had made application for an inspection of these boxes in May, 1906; whereas he refers to your application as of December 21.

Mr. NAULTY. That is probably about the twentieth letter I had written asking why I could not get action.

Mr. McCoy. Not probably; but it was, as a matter of fact, the last of a series of letters?

Mr. NAULTY. The last of a long series of letters.

Mr. SLEMP. Can you file with the committee the copies of any of those letters?

Mr. NAULTY. Some of them.

Mr. SLEMP. Will you do that?

Mr. NAULTY. I will do so; yes. The transmission of this letter was made by the First Assistant Postmaster General. This order was issued on March 2, 1907. Mr. Cortelyou resigned the portfolio of the Postmaster General on March 4, 1907. This order was never made public. It was deliberately and absolutely suppressed. This was the conclusive order. We had our authorization to build mail chutes in this, and it is remarkable how our competitor knew the particular weak point, always, on which to put his finger, to say to Mr. Nesbit, and builders like him, that this suppressed order was never issued; whereas an order given the Cutler Manufacturing Co. was made public in the Official Guide.

Mr. McCoy. You mean that the order approving of the device of the Cutler Co. was published in the Official Post Office Guide?

Mr. NAULTY. Yes.

Mr. McCoy. And that the order approving of your device was not made public in the Official Guide until how long after it bears date?

Mr. NAULTY. An order was issued on July 15, 1909; from March 2, 1907, until July 15, 1909, despite repeated protests on my part, the approval order was not published.

Mr. McCoy. How soon after the approval of the Cutler device was that approval published?

Mr. NAULTY. The next issue of the Official Guide.

Mr. McCoy. And that occurred how soon after? How often does the Guide come out?

Mr. NAULTY. Once a month, and I believe—I am not certain of this point, but the Bulletin would show it—I believe it was published in the Daily Bulletin.

Mr. McCoy. There is a Daily Bulletin, as well as an Official Guide?

Mr. NAULTY. There was at that time.

Mr. McCoy. You say that, in spite of repeated protests, your order was not made public. State what you did in the way of protesting against the failure to make it public.

Mr. NAULTY. I wrote a series of letters to the Postmaster General, to which no attention was paid at all.

Mr. McCoy. That is, you got no answer of any kind?

Mr. NAULTY. No answer. I came here to Washington three or four times.

Mr. McCoy. At how long intervals?

Mr. NAULTY. Intervals of six weeks.

Mr. McCoy. And how soon was your first visit after the adoption of this order approving your device?

Mr. NAULTY. In June, I believe, in 1907. You see, the situation was at that time we were denied publication of this letter of approval. We were asked to furnish this bond to the Post Office Department.

The CHAIRMAN. A bond for what?

Mr. NAULTY. To protect the United States Government against a suit for infringement, another impossible condition, since the United States Government can not be sued without its own consent, and since it is most unlikely that anybody who is given the monopoly in the manufacture of mail chutes is to turn around and sue the Post

Office Department because they break that monopoly, or permit anybody else to manufacture mail chutes.

Mr. McCoy. Let us take that up.

Mr. AUSTIN. What reason did they give you for not publishing this letter?

Mr. NAULTY. The reason that was given me is covered in a letter from the Post Office Department.

Mr. AUSTIN. Will you please read it?

Mr. NAULTY. Yes, sir.

Mr. McCoy. If there is a copy of the letter attached to the brief, we can read that; it is short.

Mr. AUSTIN. If he has it and it is short, he had better read it. We may never read the brief.

Mr. McCoy. I mean for him to read it.

Mr. NAULTY. Here is one letter of explanation from the Post Office Department. It is dated May 21, 1909, is addressed to me, and reads:

In reply to your communication of the 17th instant, asking to be informed what action has been taken upon your request for publication of Order No. 151, issued March 2, 1907, by the Postmaster General, in regard to the mailing chutes manufactured by your concern, I beg leave to inform you that the matter was referred some time since to the law officer of the department, and a decision has not been reached. You will be further advised as soon as possible.

Respectfully,

C. P. GRANDFIELD,

First Assistant Postmaster General.

Mr. McCoy. What is the date of that letter?

Mr. NAULTY. It is dated May 21, 1909; and that brought me to Washington. I saw Mr. Grandfield——

Mr. McCoy. There is a copy of the letter here.

Mr. NAULTY. There is another letter which I would like to insert before that. Being apparently up against a stone wall in the Post Office Department, I appealed to Mr. Roosevelt in a brief which I submitted to him.

Mr. AUSTIN. The man who favored a square deal?

Mr. NAULTY. Yes, sir; and he referred this entire matter back to the Post Office Department. On June 8, 1909, I received this communication from the Post Office Department, addressed to me at New York, which reads:

Referring again to your letter of the 17th ultimo, and acknowledging receipt of your letter of the 7th instant, I beg leave to call your attention to the following extract from the letter addressed to you November 20, 1907, with respect to the reasons for the omission from the Bulletin and the Official Postal Guide of the order approving your chute, dated March 2, 1907:

"In reply to your letter of the 19th instant, which the President has referred to me for acknowledgment, you are informed that the order approving your chute, dated March 2, 1907, was not, as you state, 'deliberately suppressed.' There are no fixed rules governing the printing of orders in the Bulletin and the Official Postal Guide, and the clerks in charge of those publications at the time the order in question was issued appear to have been of the opinion that it should not be printed; and this was the view they took regarding Order No. 789, dated March 20, 1906, approving the model C Cutler chute. Of late it has been the practice to promulgate all orders affecting the postal service, which accounts for the publication of Order No. 683, dated September 13, 1907, in which the model F Cutler chute is approved."

The letter of the 21st ultimo was based on an incorrect understanding of the facts, the writer having in mind the correspondence in February last in reference to bonds, all of which was referred to the Assistant Attorney General for

the Post Office Department for consideration. He has rendered no decision as yet, but has been asked under date of to-day to do so at his early convenience.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster General.

ILLINOIS AVENUE AND BOARDWALK,
Atlantic City, November 19, 1907.

To the PRESIDENT.

SIR: Permit me to transmit to you herewith a very serious presentment against the methods of the Post Office Department. I firmly trust that you will be good enough to give the matter your consideration. It involves conditions that only you can remedy, and is only brought to your attention when all efforts else have failed.

I am inclosing also a copy of the rules and regulations governing mail chutes, and two copies of official orders issued by Secretary Cortelyou, when he was Postmaster General.

Knowing that I shall be given a fair hearing, I am, sir,

Yours, respectfully,

EDWIN FAIRFAX NAULTY.

ILLINOIS AVENUE AND BOARDWALK,
Atlantic City, November 19, 1907.

To the PRESIDENT.

SIR: After every attempt I have made to obtain justice from the departments involved has failed I am compelled to appeal to you direct for a hearing and I rely on your justness and fairness to gain consideration.

I am a manufacturer of mail chutes, such as are used in office and other buildings for the collection of mail, and I have been forced out of business and into practical bankruptcy by a combination that has been able, evidently, to control the Post Office Department, and that has also been able to work its will in the Patent Office. I am not a "crank inventor" with a grievance, but a business man seeking to do business in a fair way.

I am the president and general manager of Fairfax United States Mail Chute System, which for over two years has had an office at 150 Fifth Avenue, New York, and a factory in New Jersey. To develop this business my associates and I have spent \$35,000. We have built and installed first-class mail chutes that have stood all tests and we have done an honest business. But we have come into competition with the Cutler Manufacturing Co., and since the retirement of Postmaster General Cortelyou we have found that every impediment possible has been laid to harass our business. I was granted authorization to build mail chutes by Mr. Cortelyou on October 24, 1905, after I had demonstrated to him and to the special commission he appointed that I had a locked mail chute with lockable mailing slots that conformed to all post-office requirements. I then built and installed my device in buildings in New York, and after almost a year's actual usage and test Mr. Cortelyou, on March 2, 1907, issued to me the necessary order of approval.

This order was an official order and was numbered 157, but it has been suppressed by the order of some one in the Post Office Department since Mr. Cortelyou became Secretary of the Treasury.

The suppression of this order has placed us in a very peculiar position. If an architect asked if our device was approved and we told him it was and he sought confirmation from his local postmaster all the local postmaster could say was that he had no orders to that effect. But there was no suppression of the approval order of our competitor, which was given immediate publicity as soon as issued.

No one can sue the United States without its consent, yet there was incorporated in the rules and regulations governing mail chutes (an exact copy of which I inclose) a clause that all mail chute manufacturers must file a bond with the post office to protect them against possible suit for infringement of patent. That seems simple enough, but when you see that all the Cutler people have to do is to threaten suit as prior inventors to prevent us from getting a bond from a surety company unless we place with them cash or securities equal

to the amount of the bond you can see that it ties us up most effectively. When, further, the Post Office Department accepts Cutler's personal bond, but forces us, the smaller concern, to go to a surety company, you can see the result.

In one case we were forced to arrange to give a bond for \$5,000 for a chute costing \$1,150. That was for merely one chute, as the record will show. Yet Cutler has put up chutes to the value of \$75,000, and his bond is only \$25,000, and a personal bond at that. Where is the justice in this? It is true that Cutler may claim to be the original inventor, but his basic patents have expired, and patents now, his as well as ours, are only for improved devices.

Again, as the regulations provide that only a certain type of chute may be used on which Cutler and others have patents, you can see that the junior patentee stands a small chance when the Post Office insists on a bond. The purchaser will also insist on a bond to protect him, and the result is that Cutler has a very nice complete monopoly of the situation through his own concern and a dummy concern.

I have absolutely nothing but the highest commendation for Secretary Cortelyou. While he was Postmaster General I found him to be perfectly fair and honorable. He sought the good of the service and did all in his power to be just to all. Nor do I complain of Postmaster General Meyer, although I have failed to get an adjudication from him, probably for the reason that he is compelled to rely on subordinates. But I do assert that among the lesser officials there has been a constant effort to prevent us from doing business. The very tone of the letters in my possession shows animus.

I therefore make these charges against the Post Office Department and First Assistant Hitchcock and Superintendent of City Delivery Thorpe:

1. An official order of Postmaster General Cortelyou giving approval to the mail chutes made by Fairfax System has been deliberately suppressed and never made public to postmasters, thereby enabling the Cutler Manufacturing Co. to assert to architects and builders that we had no right to build mail chutes and that our apparatus had not been approved and that the department would not accept our chutes for use.

2. I have been forced to give bond in a prohibitive amount and from a surety company, while the personal bond of my competitor is accepted.

3. I have been forced to give bond to five times the amount of the cost of one chute to cover that particular chute, while Cutler has put up as many chutes as he chose (value estimated at \$100,000) on a personal bond of one-third of the cost of the chutes he built.

4. That the suppression of the order of approval for my chute issued by Postmaster General Cortelyou has worked irreparable injury to my business; that it has enabled Cutler to assert that my chute was not officially approved; that this suppression has prevented postmasters from saying to inquirers that my chute had been approved, and thus has caused me to lose business.

5. That the refusal of the department to put my chutes in operation unless I filed a prohibitive bond has caused me to cancel \$30,000 worth of business, and that it has prevented me from bidding on other business this year, a fair estimate of which would be \$100,000.

6. That First Assistant Hitchcock instructed Postmaster Tucker, of Toledo, not to place in commission a chute which I had built in the Ohio Building in that city until I had arranged to give a bond for \$5,000, which was five times the cost of the chute. President J. C. Robinson, of the Ohio Savings & Trust Co., told he saw these instructions.

7. That the Cutlers have been allowed to put in five chutes, which do not conform to the regulations, in the Cromwell Apartment House, One hundred and thirty-seventh Street and Broadway, New York, and that these chutes were accepted and placed in operation 14 months after the regulations were issued; the regulations dating August, 1905, and the chutes being placed in commission in November-December, 1906.

8. That Cutler is erecting and having accepted chutes which are not built on the style of the chute on which he was given approval, in other words, the Post Office Department has permitted him to put in practically what chute he chose.

9. That the action of the department has prevented us from competing for business; that it has created in the minds of the trade an impression that Cutler has "a pull," an impression that Cutler cultivates by many means.

I can give you data in all cases, and can show letters from all over the country which show the opinion of purchasers as to the situation.

Cutler is mayor of Rochester, I am merely a citizen of New York, I have, *however, some friends*. I have been urged to take another course of pro-

cedure than an appeal to you, but I am of faith that you will see that justice is done. As to the continued efforts of Cutler in business lines to destroy my good name, you have no concern. I can attend to that through the proper legal channels. That Cutler has also been able to reach the former Commissioner of Patents Allen, and has given an ex parte statement, shows the length to which he has gone in his effort to crush competition. That the same commissioner practically compelled a primary examiner, who had sustained me continually, to reverse his decisions and favor Cutler, only proves the power of the man who wants to drive me out of business. Cutler has been permitted to change his drawings, specifications, and claims in the Patent Office for no other reason than to come into interference with me and destroy the value of my patent, I being the patentee and he the applicant, for patent. This last is a matter that will bear investigation, and it is my purpose to present this case to you also.

I can refer you to Secretary of the Treasury Cortelyou and to Chief Wilkie of the Secret Service, if you want a quick estimate of my personality. Permit me to urge an investigation of this matter by your direction. I have been urged to adopt another course, but I have faith in your sense of fair play and I am willing to put the matter in your hands. If you desire specific details, I can give them in person or by letter.

Yours, respectfully,

EDWIN FAIRFAX NAULTY,
President Fairfax United States Mail Chute System.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., October 14, 1907.

MR. EDWIN FAIRFAX NAULTY,
150 Fifth Avenue, New York, N. Y.

SIR: Referring to your calls at the department and to your requests for authorization for the installation of your mailing chutes and receiving boxes, you are advised that the order of the Postmaster General, dated August 8, 1905, and numbered 148, together with the law on the subject, which is printed as section 720 of the current Postal Laws and Regulations, and is quoted in full below, now constitute the only regulations and authorization governing mailing chutes and the receiving boxes connected therewith:

" * * * The Postmaster General is hereby authorized, in his discretion, to declare by official order that the chutes connected with mail boxes that are attached to any chute or device which may be approved by him are a part of said receiving boxes and under the exclusive care and custody of the Post Office Department."

Under the terms of this order you can take contracts for and install as many mailing chutes as you see fit.

As soon as it is ascertained that these chutes conform to the stipulations of Order No. 148, an official order by the Postmaster General declaring the chutes a part of the receiving boxes will follow as a matter of course; and immediately upon receiving notice from you that you have one or more chutes in operation an inspection will be made with a view to the issuance of such order. Furthermore, if it shall be deemed necessary, proper action to legalize mailings in the first chutes you erect during the time they are undergoing test will be taken.

Very respectfully,

GEO. B. CORTELYOU, *Postmaster General.*

[Copy of letter informing me that approval had been granted and inclosing copy of the letter of approval of Postmaster General Cortelyou. This is the order 157 which was never sent out to postmasters.]

POST OFFICE DEPARTMENT.
OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL,
Washington, March 4, 1907.

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
150 Fifth Avenue, New York, N. Y.

GENTLEMEN: Inclosed herewith is a copy of Postmaster General's order No. 157, approving the two models of the mailing chutes made by your company which were described in your letters of December 31, 1906, and in other communications addressed to the department.

Respectfully,

F. H. HITCHCOCK,
First Assistant Postmaster General.

Order No. 157.

MARCH 2, 1907.

Ordered, That, whereas the mailing chutes designated as Type A, 1905 model, and Type I, 1906 model, made by the Fairfax United States Mail Chute System, of New York, N. Y., appear to conform to the present requirements, it is declared, in accordance with the act of Congress approved January 23, 1893, that in all mailing apparatus of these styles heretofore installed or to be installed hereafter under the regulations of the department, the chutes shall be considered parts of the receiving boxes and shall be under the exclusive care and custody of the Post Office Department.

GEO. B. CORTELYOU, *Postmaster General*.

Mr. McCoy. Does that reference to bonds mean this, that what had been referred to the law department was not the question of your device, but the question of bonds to be furnished?

Mr. NAULTY. According to this explanation.

Mr. McCoy. According to that explanation.

Mr. SLEMP. And it had nothing to do with the nonpublication of the order?

Mr. NAULTY. No; according to this explanation.

(Thereupon, at 11.55 o'clock a. m., the committee adjourned until to-morrow, Saturday, June 17, 1911, at 10 o'clock a. m.)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
Saturday, June 17, 1911.

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.

Present: Messrs. Ashbrook (chairman), Alexander, McCoy, Slemp, and Towner.

**STATEMENT OF MR. EDWIN FAIRFAX NAULTY, NEW YORK,
N. Y.—Continued.**

The CHAIRMAN. Now, Mr. Naulty, we will resume the hearing, and ask you to begin with your narrative where you left off yesterday afternoon.

Mr. NAULTY. Thank you, Mr. Chairman and gentlemen of the committee. May I say, Mr. Chairman and gentlemen of the committee that Mr. A. H. Thurston, of New York, came over on the midnight train to appear before this committee, if you desire to hear him, and he would like to go back this afternoon, and, in order that his testimony may be taken, I suggest there will be time during my statement when, if the committee desires to hear him, he can be heard without interrupting the run of my narrative.

The CHAIRMAN. Is he present now?

Mr. NAULTY. Yes, sir.

Mr. McCoy. What particular branch of the matter would he testify about?

Mr. NAULTY. Concerning the bond and the requests that were made for the publication of the suppressed order, particularly of that order of March 2, 1907, and other matters in connection with it, I do not recall precisely, Mr. Chairman, where I left off yesterday.

Mr. McCoy. You were reading some letters in regard to why the order had not been published in the Post Office Guide.

Mr. NAULTY. Yesterday, in my testimony, I made some assertions with regard to the Cutlers. They have changed their name several times. It was originally a copartnership, and that was succeeded by a small corporation called the Cutler Manufacturing Co., which, in turn, has been turned into a larger corporation, known as the Cutler Mail Chute Co., and they also did business as a copartnership under the name of the Cutler Manufacturing Co. of Rochester. Some of their letters bear that imprint.

Mr. McCoy. Do you know what is the capital stock of the Cutler Mail Chute Co.?

Mr. NAULTY. \$2,500,000. I have here the articles of incorporation—the first articles of incorporation in New York State—and it is asserted that they pay 10 per cent on that capital. I made the assertion yesterday that they were advertising themselves as the sole makers of United States mail chutes, and I desire to submit to the committee an advertisement of theirs, the heading of which reads as follows:

The United States mail chute, Cutler mailing system, installed in connection with the United States free-collection service, by authority of the Post Office Department and under special act of Congress, by the sole makers, the Cutler Manufacturing Co.

Now, I desire to call the attention of the committee to the fact that a builder, or anyone else, receiving this advertisement and reading it will be naturally led to draw from it certain inferences. In other words, this heading is skillfully prepared, keeping in view that particular point.

Mr. McCoy. That is, the inference that they were the only concern making mail chutes that had been approved by the Post Office Department?

Mr. NAULTY. Yes, sir. Now, here is a full-page advertisement of theirs in Building Management, which is largely read by builders, and this contains an advertisement of their model C.

Mr. McCoy. Is that their present model?

Mr. NAULTY. No, sir; their present models are F, G, and H, I believe. This advertisement reads, in part, as follows:

The Cutler mailing system. An indispensable feature in the equipment of the modern building is explicitly authorized, in an order of the Postmaster General, under a special act of Congress, declaring the mail chute to be "part of the receiving boxes and under the exclusive care and custody of the Post Office Department," therefore, letters deposited in it are legally mailed.

Mr. ALEXANDER. Does he call that a special act of Congress?

Mr. NAULTY. Yes, sir; under a special act of Congress.

Mr. ALEXANDER. Does that refer to section 720 of the postal laws?

Mr. NAULTY. I have not been able to look up this act of Congress. I think Mr. Thurston may recollect it, but I will get it for the committee. In another advertisement of theirs they close the advertisement with these words:

Cutler Manufacturing Co., patentees and sole makers.

And this special advertisement contains some information which may be of use to the committee. Here is a still later advertisement of theirs, which, in part, reads as follows:

A few years ago, as the result of the report of a special commission, the Post Office Department commenced to require, and, as well known, now requires, that all mail chutes be made so that the interior is freely accessible to

an authorized person, but no other. We have already made chutes of this character, but in one of these, the model C type, having a front hinge at one side and locked at the other, made of a grade of material and with the care and accuracy necessary to mail-chute work, was considered by the public as too expensive for general use, and it became necessary to devise other means at once efficient and considerably less expensive to meet these changed requirements.

The "changed requirements" were brought about by the patent of the Fairfax system. The advertisement continues as follows:

To these ends we have perfected and placed upon the market the model F, which embodies many new features and obviates the necessity of using the desirable but more expensive features of model C.

The construction of this last class of chute was found to require special machinery, which not only had to be built, but had to be specially designed for the purpose, in order that we might turn out the new type of chute in accordance with our highest standard of manufacture, which requires that every part shall be exactly interchangeable with every other part having the same function.

Mr. McCoy. That speaks of a change in the requirements. Were there any changes made by the Post Office Department in the requirements?

Mr. NAULTY. No, sir.

Mr. McCoy. There were no changes in the orders?

Mr. NAULTY. No, sir.

Mr. ALEXANDER. I notice in this building that the mail chutes have a hinge on one slide and a hasp and staple on the other.

Mr. NAULTY. Yes, sir; these chutes are built by the Automatic Mail Delivery Co., of New York.

Now, here is a circular advertisement of theirs, which contains this statement:

Don't try experiments or buy infringement suits. In the mail service of a building, as in many other things, the best is the cheapest.

And I desire, also, to read from another advertisement of theirs in the American Architect of the issue of January 19, 1911. It reads as follows:

Cutler mail-chute patents sustained. The United States circuit court for the eastern district of Missouri, in a decision rendered January 10, 1910, has fully sustained all our claims and ordered the issuance of an injunction restraining the defendant, the United States Mail Chute Equipment Co., of St. Louis, Mo., from making, using, or selling infringing chutes, and requiring it to pay the profits, costs, and the damages which we have suffered.

We also brought two other suits against the Maryland Hotel Co., in St. Louis, Mo., which had installed infringing chutes, in order to fully test the question of the liability of the owner of the building, and these cases were heard at the same time, and it was decided that the owner of the building is liable, notwithstanding the fact that the Post Office Department collects the mail from the box at the lower end.

You can readily see the impression that would be made on the mind of any builder who was intending to purchase a chute by this matter.

Mr. ALEXANDER. Is that true?

Mr. NAULTY. I have no further knowledge of this than is contained in this advertisement. This is printed over their name and is published in the American Architect.

Mr. McCoy. Is it not true that the only inference that the committee could draw from the various extracts from these advertisements that you have read would be that the Cutler Co. is indulging

in the usual kind of what you may call unfair advertising? That is one inference, and the other inference to be drawn from the other extracts you read, is that anything that is published in favor of any device by the Post Office Department referred to that device?

Mr. NAULTY. Yes, sir.

Mr. McCoy. What other inferences would you draw from that, if any?

Mr. NAULTY. The inference which every builder would draw from that and which must obtain, is that they are the sole makers.

Mr. McCoy. That is a question of unfair advertising, is it not? In other words, you would claim that these are lying advertisements?

Mr. NAULTY. Yes, sir; and I would add to that, that some furniture was sold to the Post Office Department, and the salesman who made the sale immediately made use of that sale with other departments to force through sales, and the Post Office Department specifically notified that man that he must not do that, and the department has done that in every other case that I know of except in the matter of mail-chute construction.

Mr. ALEXANDER. Do you think the Post Office Department could well enforce a fraud order against any such publications as these?

Mr. NAULTY. Yes, sir; as against these, I think so.

Mr. ALEXANDER. Those to which you have particularly called our attention?

Mr. NAULTY. Yes, sir. Now, there was a letter written by Mr. Grandfield, from the Post Office Department—I have forgotten by whom it was initialed—in which reference is made to the non-publication of order No. 789, by Postmaster General Cortelyou, approving model C of the Cutler chute, issued on March 20, 1906. But prior to this another approval order had been issued and published which was worded sufficiently broad, and was used by the Cutlers to show the builders the fact that the Cutler device had been approved. This model C is merely another Cutler model which had been additionally approved.

Mr. McCoy. That is the omission to publish a Cutler order which was referred to in the letter you read yesterday?

Mr. NAULTY. Yes, sir.

The CHAIRMAN. That is, I gather that the order approving your device was withheld from publication?

Mr. NAULTY. No, sir; I was not referring to that. My device was approved; this Cutler approval order was given in March, 1906. Mine was not given publicity until long afterwards. I desire to submit to this committee a series of letters written, covering nearly four months, and written at intervals of from three to five days, asking for action upon the report upon the examination, which had been made of the chute. Now, I got up these in part. All my own copies I have not here, but I have some of the letters.

Mr. McCoy. What were they?

Mr. NAULTY. Requests for replies to my requests for action on the approval of the device, covering a period of about a year—the year 1906.

Mr. McCoy. Let me get your dates straight; in May, 1906, you requested an inspection?

Mr. NAULTY. Yes, sir.

Mr. McCoy. And in March, 1907, you got an order?

Mr. NAULTY. On March 2, 1907, the order was issued.

Mr. McCoy. And during that period, between May, 1906, and March, 1907, you received these letters in answer to your communications to the department urging an inspection and a decision, and you say your copies of these letters to the department you have not with you?

Mr. NAULTY. Not all of them.

Mr. McCoy. Let me ask you one question that may save time: Is there anything special in these letters to which you want to call attention, or can they be simply marked as exhibits and put in the record as evidence of your contention that you were urging action in the matter at that time?

Mr. NAULTY. Yes, sir.

Mr. McCoy. I do not want to shut you off from reading them, but if that is all you have in view, we might save time by simply inserting them in the record.

NEW YORK, December 3, 1906.

HON. GEORGE BRUCE CORTELYOU,

Postmaster General, Washington, D. C.

DEAR SIR: As the chutes which we have erected and installed at 150 Fifth Avenue, New York; Queens County Trust Co. Building, Jamaica, Long Island; Mercantile Trust Co. Building, St. Louis, Mo.; and the Westmoreland Apartment House, Washington, D. C., have been working satisfactorily for some time, and as it appears to us that all the tests required by the department have been sufficiently met, we would like to receive our final approval, as promised in the authorization granted to Edwin Fairfax Naulty on October 14, 1905.

We desire this more particularly for the reason that a competitor is daily getting contracts, from which we are debarred from competing because this competitor claims to have practically the exclusive right to manufacture mail chutes.

Mr. E. H. Thorpe, superintendent of free delivery, is thoroughly conversant with our mail chute, and it seems to us in all fairness that the final approval should not be longer withheld. Immediate attention to our request would be highly esteemed, for the reason that when a personal effort was made to obtain such approval during the week preceding election the writer was informed both by Mr. Thorpe and by the secretary to the Assistant Postmaster General that this matter could not be given attention until after election.

A month has elapsed since then, and so far we have not received our expected approval. Each day's delay means a loss of business to us, and despite assertions to the contrary, we do not believe that the Post Office Department desires to hamper us in the conduction of a legitimate business.

Yours, truly,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
_____, General Manager.

NEW YORK, December 3, 1906.

Mr. H. O. WEAVER,

*Private Secretary to the Postmaster General,
Washington, D. C.*

MY DEAR MR. WEAVER: I am to-day mailing to the Postmaster General a request for the final approval. I have been exceedingly patient in this matter and have expected to receive the approval long before this, as I made personal application to Mr. Thorpe and to General Hitchcock's secretary the week preceding election, and expected to have heard from the department at least a fortnight ago.

I wish you would do me the personal favor of presenting my letter to the Postmaster General direct. I have not brought my affair to his personal attention until now, but patience sometimes results, as the old German proverb has it, "Patient children are lovely, but they are waited on last." I have waited long, and I really think it is about time that I got something more than promises. "Quien sabe?"

Yours, truly,

FAIRFAX UNITED STATES MAIL CHUTE COMPANY,
_____, General Manager.

NEW YORK, December 7, 1906.

Mr. H. O. WEAVER,
Secretary to the Postmaster General,
Washington, D. C.

MY DEAR MR. WEAVER: Yours of December 6 received. I am very glad to read what you write. It is most essential to us at the present time that we receive our final approval, and as our chutes have been in operation for some time, and have worked satisfactorily in New York, Washington, and St. Louis, it seems to me as though we deserve the final approval.

We have spent a great deal of money in bringing our business to its present status, and we expect to spend more in perfecting and enlarging our business. It is essential that the final action by the Postmaster General be taken, so that we may be enabled to go ahead. I expected to get this approval some time ago, and builded my plans accordingly.

We have worked hard to give good service, and I am sure that the Postmaster General will appreciate this fact. Our friends the enemy are doing their utmost to put us out of business. So far as we are concerned, I do not believe they can. So far as the Post Office Department is concerned, I know they can not.

Thanking you for your courtesy to me, I am,
Most sincerely, yours,

Mr. NAULTY. The point in this particular thing is this: The Postmaster General had assured me that he was ready to give me approval, and I was informed he could not get a report on which to base his approval, and that the delay occurred in the office of superintendent of city delivery.

Mr. McCoy. And the letters are all of the same type?

Mr. NAULTY. Yes, sir.

Mr. McCoy. Suppose you read one of the letters, or the most significant one, and put the others in the record.

Mr. NAULTY. Here is a letter dated December 22 and addressed to me in New York, which reads as follows:

SIR: Your letters of the 3d and 20th instants, in which you request that the mailing chutes of your company be formally approved by the department, have been received. In reply you are informed that the matter will be taken up as soon as possible, and that it is believed that a decision can be reached within a month from this date.

Respectfully,

GEORGE B. CORTELYOU,
Postmaster General.

Mr. McCoy. Have you any letter from anybody dated a shorter time after May, 1906?

Mr. NAULTY. I think so. On February 7, bearing in mind that action would be taken in a month—I want to say here that Postmaster General Cortelyou did everything possible that anybody could require or ask—this letter was addressed to Mr. H. O. Weaver, the private secretary to the Postmaster General, reading as follows:

FEBRUARY 7, 1907.

Mr. Thorpe called at our office to-day and looked over the chute at 150 Fifth Avenue, and also went to Jamaica and looked over the chute which we have erected there. He informed me that he would take the matter up as soon as he got back to Washington, which would be the end of next week. I hope that now we are on the last lap of the long-deferred approval, and will feel very much indebted to you, if you will do all you can to push matters along.

That letter was signed by Edwin Fairfax Naulty. Then there were other communications, all of which can go in as exhibits. There is also here another letter of explanation and protest to Postmaster General Cortelyou.

Mr. McCoy. Is that written by you?

Mr. NAULTY. Yes, sir; and it is acknowledged by him.

Mr. McCoy. Under what date?

Mr. NAULTY. January 3, 1907. Then there is a letter of mine; the date of that letter is December 31, 1906; and also there is an attached letter of February 8, 1907. From this letter I quote as follows:

So far as proper mailing is concerned, the chute has worked in a thoroughly satisfactory manner. There are 21 collections a day from the chute at 150 Fifth Avenue, and the building—it is eight stories high—covers half of a New York block and contains many firms, whose mail is unusually heavy.

It is rather curious to note the difference in the tone of these letters and those later, bearing another signature. Yesterday, in my testimony about the suppression of the order, I referred to several letters, which, with the committee's permission, I would like to read.

Mr. McCoy. What order was that?

Mr. NAULTY. Order No. 157, issued March 2, 1907, the order which was suppressed.

Mr. ALEXANDER. That was the order recommending your chute?

Mr. NAULTY. Yes, sir. The first of these letters is addressed to the First Assistant Postmaster General, and is dated May 17, 1909, and reads as follows:

DEAR SIR: Will you kindly let me know what disposition has been made of my request for publication of order No. 157, issued March 2, 1907, by Postmaster General George B. Cortelyou, about which I talked with you when I was last in Washington? Possibly the recent news of the absorption of the Automatic Mail Delivery Co. by the Cutler Manufacturing Co. may prove that I have so long contended. We are still independent and purpose remaining so.

This letter was signed by me as general manager. I have always had to look up that order to see whether it is 157 or 151.

Mr. McCoy. But it is the order that gave official approval to the device?

Mr. NAULTY. Yes, sir; it is No. 157.

Mr. McCoy. It was official order No. 157, issued by former Postmaster General Cortelyou?

Mr. NAULTY. Yes, sir; Mr. Grandfield referred to it as order No. 151. I had told Mr. Grandfield that these companies were not competing, but that, to use my own phrase at the time, the Automatic was a "stuffed shirt," and had been so for some time, and that they were not competing with each other. Succeeding that is a letter dated May 22, 1909, addressed to the First Assistant Postmaster General, which reads as follows:

DEAR SIR: In reply to your communication of May 21 in response to mine of the 17th, regarding the publication of order No. 157. I was not aware that the question of the publication of this order was in the hands of the Attorney General for the department.

The reason for my writing that was that there was a separate letter from Mr. Grandfield, in which he stated that he was mistaken about the matter having been referred to the Attorney General. But I have letters that show that it was referred to the Attorney General.

Mr. McCoy. That is, his explanation was that he had made a mistake in saying that the order was in the hands of the Attorney General, but that what he meant to say was that the question of bond was in the hands of the Attorney General. Now, you say that the letter was to the effect that the question of the publication of this order was in the hands of the Attorney General?

Mr. NAULTY. It seemed to be. The letter reads as follows—I will continue the reading of the letter:

I can not understand why, if the order for the Cutler Manufacturing Co. and the Automatic Mail Delivery Co. has been made public, I should still be denied publicity of this order, issued now over two years ago. Frankly, as I have been attempting to get this order made public for a year and three months, it seems to me as though somewhere in the department there is unnecessary delay. That the order was issued and signed by Postmaster General Cortelyou, I know, for I have a copy of it, together with a letter inclosing it, and also a letter of advice referring to the order itself and its text. The previous explanation given me by mail that the nonpublication of this order was due to clerical interpretation of its nonnecessity was the explanation offered at that time.

Now, it seems, the matter is in the hands of the Attorney General for the department. It may be possible that you assume that I am asking about the bond; I am not, in this matter—merely the question of the publication of this particular order. The approval order for the two other firms was made public, and I can see absolutely no further reason for withholding from publicity Order No. 157. On my last visit to Washington I came away with the understanding that you were to look into this matter, and if the order had not been published as I had shown, you would see that it was given publicity through the usual post office channels.

This was on May 23, 1909.

Mr. ALEXANDER. That was more than two years later?

Mr. NAULTY. Yes, sir. On May 21, the following letter was written to me by the First Assistant Postmaster General:

SIR: In reply to your communication of the 17th instant asking to be informed what action has been taken upon your request for publication of Order No. 151, issued March 2, 1907, by the Postmaster General, in regard to the mailing chutes manufactured by your concern, I beg leave to inform you that the matter was referred some time since to the law officer of the department and a decision has not yet been reached. You will be further advised as soon as possible.

Mr. McCoy. Who wrote that letter?

Mr. NAULTY. Mr. Grandfield, the First Assistant Postmaster General. On June 7, 1907, I addressed a letter to the First Assistant Postmaster General, in which I stated:

I am out of patience with the way I have been treated by the Post Office Department. Unless some satisfaction is given me concerning the matters which I have written you about, I will bring the same to the attention of the President of the United States, and since Congress is now in session, and I have some friends as Representatives, I shall ask some one of them to introduce a bill calling for a complete investigation of the entire mail-chute situation,

Mr. McCoy. This was addressed to Mr. Grandfield?

Mr. NAULTY. Yes, sir. The letter continues as follows:

I have simply lost patience. I do not hold you personally responsible for the condition, but there is responsibility somewhere: I purpose fixing that responsibility. May I be permitted to call to your attention the eleventh section of the Constitution of the United States, and to suggest that the Constitution of the United States rises superior to any interpretation of the rules of a department of the Government.

On June 11, 1909, I wrote Mr. Grandfield, the First Assistant Postmaster General, as follows:

In reply to your communication of June 8, which was in reply to mine of the 17th of June, I note what you say in regard to the extracts from letter addressed to me November 30, 1907. This, however, does not explain the last sentence of your quoted extract, which reads as follows:

“Of late it has been the practice to promulgate all orders affecting the postal service, which accounts for the publication of order No. 683, dated September 18, 1907, in which the model F. Cutler chute is approved.”

They took one Cutler chute and approved that, and then on September 13, 1907, a second approval was given them for another device. During all this time I was constantly knocking at the doors of the Post Office Department endeavoring to get my original order of approval published. My letter continues:

This is the exact crux of the entire situation: The Cutler Manufacturing Co., which has absorbed the Automatic Mail Delivery Co., is enabled to point out the fact that an approval of theirs of 1907 has been given, and calling the attention of architects, owners, and builders, and others desiring mail chutes, to the fact that there has been no official promulgation of order No. 157 approving the mail chute made by me.

Mr. McCoy. Right there, did they call attention to that fact in their advertisement?

Mr. NAULTY. Yes, sir; they have in issued advertisements, and they have in written letters.

Mr. McCoy. Have you seen any of these letters?

Mr. NAULTY. Yes, sir; I have witnesses who can testify to that. In fact, they have made assertions to the effect that our chute was not approved; that it never had been approved.

Mr. McCoy. After its approval?

Mr. NAULTY. Yes, sir; but we could show no official publication of that order. I would like to say to the committee concerning advertising, that I have had some little experience in advertising. We made direct statements of what we could do and lived up to them. If we used slate we called it marbleized slate; if we used an electric bronze plated box we called it an electric bronze plated box. Our method of doing business in this respect was so unusual that we got contracts by it. We never made statements in our advertisements, or claimed anything, that we did not carry out.

Mr. McCoy. As a commercial proposition, honesty does pay; you never have any comeback.

Mr. SLEMP. Do I understand you to say that they have advertised the fact that your chute had not been approved?

Mr. NAULTY. I have such letters written to me by architects and owners.

Mr. TOWNER. That is, you have letters from men who said they had statements of that character from the Cutler Manufacturing Co.?

Mr. NAULTY. They made direct statements; conversations with them were recited to me.

Mr. SLEMP. Have you any printed circular or advertisement of the Cutler Co. in which they make that statement?

Mr. NAULTY. No, sir; their method was not so plain as that. Their methods are better planned than that. They are not to be caught in such a way as that. They deal in innuendo. You can destroy a man's reputation by that means for all essential purposes. They send a man to do this talking; they do not put these things in writing, but they send a man with their contract, who makes these statements. They do things of that sort; that is their method. Some of these letters I refer to are from builders and the owners directly concerned, who make these statements direct.

Mr. ALEXANDER. Right at this point, speaking about these advertisements in the magazines, see how cunningly worded this one is:

The Cutler Mailing System, an indispensable feature in the equipment of the modern building, is explicitly authorized in an order of the Postmaster General, under a special act of Congress, declaring the mail chute to be part of the

receiving boxes and under the exclusive care and custody of the Post Office Department.

Mr. SLEMP. Have you ever advertised your chute any?

Mr. NAULTY. Yes, sir.

Mr. SLEMP. Can you furnish us a copy of one of your advertisements?

Mr. NAULTY. Yes, sir.

Mr. SLEMP. Please insert one in the record. I would like to see it.

Mr. NAULTY. Yes, sir. Here is the form which we follow:

The Fairfax United States Mail Chute System, authorized by the United States Post Office Department in 1905, approved 1907, and again approved July 18, 1909. It meets all post-office requirements.

This is the way our letterhead reads:

The Fairfax United States Mail Chute System, makers of mail chutes under Naulty patents; authorized and approved by United States Post Office Department, 1905, 1906, and 1909.

Continuing the reading of that letter of June 11, 1909:

Since the "clerk in charge" of the bulletins and the Official Postal Guide, "at the time the order in question was issued," that is, my order, "appeared to have been of the opinion that it should not be printed," it seems to me absolutely essential that this opinion, in view of the circumstances, should be revised by superior authority and the order now given promulgation in the bulletin and Official Postal Guide—order No. 157, March 2, 1907, approving my make of chute.

Here is an official letter of explanation, with a copy of the bulletin attached, about which one of the members of the committee asked me. Subsequently to this letter of June 11, 1909, I came to Washington and personally saw Mr. Grandfield. I have never been able to see Mr. Hitchcock; but I understand that Senators of the United States have been placed in the same position.

Mr. ALEXANDER. It is more difficult to see him than the President of the United States.

Mr. McCoy. In order to get it in the record, when did Mr. Hitchcock become the Postmaster General?

Mr. NAULTY. March 4, 1909. Mr. Meyer succeeded Mr. Cortelyou, I believe, and Mr. Hitchcock succeeded Mr. Meyer. It went Cortelyou, Meyer, and Hitchcock. This letter I now read is from Mr. Grandfield, the First Assistant Postmaster General, and is dated August 2, 1909. It is addressed to me, and reads as follows:

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
Washington, August 2, 1909.

Mr. EDWIN FAIRFAX NAULTY,
150 Fifth Avenue, New York, N. Y.

SIR: In answer to your communication of the 29th ultimo renewing your request for the publication of an order issued by the Postmaster General in 1907 approving the Fairfax mail chute, I beg leave to inform you that this matter has been gone over carefully, and it has been decided to issue a new order covering all the types of mail chutes which have been approved by the department. This order appeared in the Daily Bulletin of July 23, 1909, and I inclose herewith a copy for your convenient reference. The notice will also be published in the August supplement to the United States Official Postal Guide, and a copy of this publication will also be sent you as soon as issued, if you so desire. The department regrets the annoyance to which you have been put, and it is hoped that the issuance of the new order will meet the desired ends.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster General.

Attached to that is this Daily Bulletin and the publication of the order to which he refers in the Daily Bulletin. That reads as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., July 15, 1909.

Order No. 2441.

For the information of postmasters and others concerned the following-described mailing chutes appear to conform to the present requirements, and in accordance with the act approved by Congress January 23, 1893, all mailing apparatus of these styles heretofore installed or to be installed hereafter under the regulations of the department are declared to be considered a part of the receiving boxes, and shall be under the exclusive care and custody of the Post Office Department:

Model C, pattern of 1905, made by the Cutler Mail Chute Co., of Rochester, N. Y.

Model AA, made by the Automatic Mail Delivery Co., of New York, N. Y.

Type A, model of 1905, and type 1, model of 1906, made by the Fairfax United States Mail Chute System, of New York, N. Y.

Model F, pattern of 1907, made by the Cutler Mail Chute Co., of Rochester, N. Y.

Security mail chute, made by the United States Mail Chute Equipment Co., of St. Louis, Mo.

F. H. HITCHCOCK, *Postmaster General*.

Mr. McCoy. How many of the devices specified in that order had been previously specified in that Daily Bulletin?

Mr. NAULTY. All of them, except the Fairfax device.

Mr. McCoy. And that model C of the Cutler Co.?

Mr. NAULTY. Yes, sir; and the situation of that is that order has never yet been issued. This is another order—the order of March 2, 1907, has never been made public.

Mr. McCoy. What order is that [referring to No. 244]?

Mr. NAULTY. That is the order of approval of all the mail chutes included in the order.

Mr. McCoy. Does that include the order No. 157?

Mr. NAULTY. No, sir; not order No. 157. That other order has never been published, and the Cutler people to this day say we never had such an order.

Mr. McCoy. Do you mean to say that the Cutler people never had the order?

Mr. SLEMP. Do you mean the order approving their patents?

Mr. NAULTY. No, sir; I mean to say their orders were published in the Official Guide.

Mr. McCoy. Do you mean to say that the Cutler Co. has had notice that order No. 157 was published?

Mr. NAULTY. It never has been published.

The CHAIRMAN. Except in that way, in that bulletin?

Mr. NAULTY. Yes, sir; except in this way; in this new order.

Mr. SLEMP. Does that work any injury?

Mr. NAULTY. It does in this sense; we are placed in this position: A man's statement must be verified by the evidence that he has made good previously, or some kind of people will say, "You told us about this order, and now where is this order?" Now, I have not the original order, but I show them this thing, and they say, "This is not the order; this is something else." Consequently, we were compelled to issue a statement of explanation of that.

Mr. McCoy. Suppose you read the explanation.

Mr. NAULTY. We had to explain that in letters; that is, to explain our precise position, because they could come back and say, "You

said that you had an approval order, and now you come with an order dated this week or last week, or something of that kind." Then they could say, "Here is an order, but the thing had not been approved before."

Mr. McCoy. That is another incidental effect it has, that is, it further advertises the Cutler people in connection with you.

Mr. NAULTY. Both of our devices are approved in that order. We had two forms.

Mr. SLEMP. Do you mean to say that this was a disadvantage?

Mr. McCoy. I mean that instead of publishing this order as a separate order, they issued a new order and grouped it in the middle of a lot of Cutler devices, and, therefore, it advertises the Cutler people further.

Mr. SLEMP. I would say that this is an advertisement of his chute, that is, of Mr. Naulty's chute.

Mr. McCoy. But it includes the Cutler chute; it includes two approvals of the Cutler chute, and Mr. Naulty's order of approval is in the midst of these. This is a general order, and includes Cutler chutes that had been previously approved, and for which orders had been issued, and there was no reason why they should be reissued or republished in this order, and it has the effect of advertising the Cutler devices in connection with the Naulty device.

Mr. NAULTY. It placed me in this position; if I used this order, I had to advertise the Cutler mail chute also. I could not use a separate order; I was compelled, not only to advertise my own device, but also to advertise these two devices of the Cutler Mail Chute Co.

Mr. SLEMP. But you also had the advantage of having your chutes advertised with the Cutler chutes, which had been approved.

Mr. NAULTY. But their chutes had old approvals, and they did not care anything about this. They could say that they had been making chutes for the Post Office Department for five years.

Mr. McCoy. They sent out copies of the old orders as separate things, whereas, if you sent out the order approving your device, you must necessarily send out the order approving the Cutler device.

Mr. NAULTY. Yes, sir. They issued this matter headed, "Do not try experiments," along about that time, and they said, "This man is only a newcomer."

Mr. ALEXANDER. Do you know who the stockholders are in this Cutler Co., or can you get a list of them for the benefit of the committee?

Mr. McCoy. First, let me ask you one question, is this a New York corporation?

Mr. NAULTY. Yes, sir.

Mr. McCoy. Where was it organized?

Mr. NAULTY. At Rochester, N. Y.

Mr. McCoy. You might communicate with the county clerk or the secretary of state and get their reports.

Mr. NAULTY. I have here a certified copy of their articles of incorporation, but their officers may change.

Mr. ALEXANDER. Do you know who the stockholders are?

Mr. NAULTY. I do not know.

Mr. SLEMP. After you received your order approving your chute, did you have any further disagreement with the Post Office Department?

Mr. NAULTY. Yes, sir; the question of bond, which has not been settled.

Mr. ALEXANDER. You stated that you wanted this gentleman, Mr. Thurston, to give his testimony. It is now 5 minutes to 11 o'clock. Shall we hear from him now?

Mr. NAULTY. Mr. Thurston might give a reply to your question as to the question of the bond, because he is familiar with that situation and also with what we are up against now.

Mr. ALEXANDER. Are you ready now to embark on that feature of the case—that is, as to the bond?

Mr. McCoy. Have you finished your narrative statement?

Mr. NAULTY. No, sir; but I can finish it in 5 or 10 minutes.

In order to show the magnitude of the building operations in this country—and the people engaged in building are also interested in this matter—I have brought down that statement issued by the Department of Commerce and Labor.

Mr. McCoy. Under what date?

Mr. NAULTY. It covers the years 1907 and 1908—that is, the years with which we are dealing. This statement covers a number of cities, about 50 of the leading cities, and it shows a total for 1907 of \$656,067,969 in building operations, nearly three-fourths of a billion dollars. For 1908, probably due to the conditions at the end of the year 1907, the total is as follows: \$585,913,543. This is published every year, and it shows the tremendous demand, as evidenced in new building operations, for devices of this kind.

In official No. 148, of August 8, 1905, paragraph 11 reads as follows:

Every mail chute shall contain an explicit waiver by the owner or owners of patents issued and to be issued upon the chute and receiving box, or either of them, covered by such contract, and upon any device or devices connected therewith, of all claims against the United States and its officers and agents on account of the use or employment of such chute and box and such device or devices, and shall also contain a full warranty by the company or persons proposing to erect such chute and receiving box against claims on account of infringement of the patents of others. Before commencing collections of mail, the postmaster shall also require such person or company to file with him a waiver of all claims of every name and nature arising under the contract, with a bond in such form and with such penalties as shall be prescribed by the Postmaster General, conditioned that the obligor and his or its sureties shall and will protect and indemnify the United States from any and all such claims, accompanied by a written notice from such person or company that they have no claim of any kind against such mailing chute and receiving box, or either of them.

The original intention was that individual bonds should be given to the postmaster in the cities in which the mail chutes were erected. That had been found to be a very inconvenient way, and the department, without changing the issued order, decided that it would require a blanket bond which would cover all the chutes erected under orders issued by the Post Office Department, and that was substituted for the actual requirements in here. (Order 148.) Under the new form of bond, we were asked officially to furnish a bond of \$25,000, and at that time we had less than \$3,000 worth of actual contracts on hand.

Mr. McCoy. What was the date of that approximately?

Mr. NAULTY. It was in 1906.

The CHAIRMAN. Is that the only requirement as to bond that has been made of you by the Post Office Department?

Mr. NAULTY. Under this clause?

The CHAIRMAN. Yes, sir.

Mr. NAULTY. Yes, sir; that clause is the foundation of the requirement for that bond.

The CHAIRMAN. The bond for \$25,000?

Mr. NAULTY. Yes, sir; that was the original request for bond. We protested against that and declined to give it. We pointed out the clause and declined to do it. We made an investigation as to how we would stand, and we were informed by a surety company that we would be compelled not only to pay the premium, but to put up collateral equal to the amount of the bond. Mr. Thurston, Mr. Harrison, and Mr. Ulman, our attorney, and I had a meeting, although we had thrashed this thing out many times.

Mr. McCoy. What connection did Messrs. Harrison, Thurston, and Ulman have with your company?

Mr. NAULTY. Mr. Thurston was the treasurer, Mr. Harrison was the secretary, and Mr. Ulman was our counsel. We called on one of the New York sureties companies—I do not know which one—and we called on an agent and asked him to take it up entirely for us.

Mr. SLEMP. What kind of collateral security did they ask you to put up?

Mr. NAULTY. An indorsement up to the amount of the bond. Our situation became this, that in addition to the amount of money that we had actually invested in our business, it was necessary to put up cash or collateral to the amount of this bond. We had at that time about \$25,000 invested in the business, and this bond would practically double our investment. Besides, these bonds were indeterminate bonds, which ran for an indefinite period of time, and so long as they ran we could not withdraw our capital; that is, we could not withdraw the collateral. This letter addressed to me, under date of July 11, 1907, will probably explain it, and I will read it into the record:

VANDERVEER & LEE,
60 WALL STREET,
New York, July 11, 1907.

Mr. E. F. NAULTY, *General Manager,*
Fairfax United States Mail Chute System,
150 Fifth Avenue, City.

DEAR SIR: In reference to bond to be furnished by you on contract, we beg to say that the insurance companies writing this class of risk (more particularly, The United States Fidelity & Guaranty Co.) charge a premium on a \$5,000 bond of \$25, in addition to which you will have to furnish collateral to the amount of the bond.

If you decide that you wish this insurance, we shall be very pleased to have it written for you as above.

Thanking you for the inquiry, we remain,

Very truly, yours,

VANDERVEER & LEE.

Mr. SLEMP. Was that proposition ever submitted to the Post Office Department?

Mr. NAULTY. No, sir.

Mr. McCoy. You did take up with the Post Office Department the question or point that you considered the amount of the penalty excessive?

Mr. NAULTY. Yes, sir; and they made a reduction of it from \$25,000 to \$5,000, but in their letter to us making this reduction they inserted a clause to the effect that this would be increased at any time if it became necessary for them to do so.

Mr. SLEMP. Will you file that letter with the committee?

Mr. NAULTY. Yes, sir.

(The letter referred to is as follows:)

Letter from the First Assistant Postmaster General, dated April 6, 1907, addressed to Edwin Fairfax Naulty.

The statements contained in your letter of the 19th ultimo regarding the amount of bond which you should give to cover chutes of your construction, have had careful consideration, and the conclusion has been reached that for the present \$5,000 will be enough.

It is to be distinctly understood, however, that the department reserves the right to increase the bond later, at whatever time and to whatever additional amount may be found necessary in order to protect the interests of the Government.

The CHAIRMAN. Do you regard that requirement as excessive?

Mr. NAULTY. Here was the situation with regard to this entire bond question: We put up this bond, and in doing so we tied up indefinitely that amount of capital. We did not draw any interest on that, and we could not do anything with it, and the more business we did the more our bond would be increased.

The CHAIRMAN. Let me ask you whether or not you know what bond was required of the Cutler Co.?

Mr. NAULTY. Their personal bond was accepted.

The CHAIRMAN. In what amount?

Mr. NAULTY. I do not know. Here is the situation, so far as that is concerned: The Cutler people have a rating of \$2,000,000, but I have no rating. They have many friends who will indorse any obligations of theirs for a bond which they may never be called on to perform. So this condition actually exists—their personal bond was accepted by the Post Office Department, and, I believe, in one case without any indorsement whatever. That remains to be seen, but that is what I am informed. In addition to that, they had the approval of the Government, and they simply entered into an obligation, and could get some one to indorse that obligation because of their rating.

The CHAIRMAN. At the time this bond requirement was made of you or your company, were there any suits pending against you for infringement of patent by the Cutler Co.?

Mr. NAULTY. No, sir.

Mr. McCoy. Were you ever sued by the Cutler Co.?

Mr. NAULTY. Once; over my mail slot, not my mail chute. It was never brought to trial, and it was absolutely abandoned. I have defied their attorney to sue me or bring a case to trial. The only suit he ever brought against us involved a mail slot, and they dropped that at once—

The CHAIRMAN (interposing). Was the case dismissed?

Mr. NAULTY. Yes, sir; there is no suit against us. There has never been an adjudication of our patent in that suit. They have never dared to bring it to trial. They did not dare to do so, because in the Patent Office, on their application for patent, they were compelled to withdraw their original application and to separate it and change specifications, drawings, and claims, and they did not dare

to go before the circuit court and have all this brought up. I propose to file before the committee the record, including the statement made by the primary examiner, in which he says that the Cutlers had no right to change their drawings, and that they had interpolated into these drawings the screws by which their chute is attached to the wall, which were not pointed out in the specification. Here is an "inventor" who failed to show this essential feature—that is, the means by which his chute is attached to the wall—and has to resort to the subterfuge of saying that it was due to an omission by the draftsman.

Now, on this question of bond, of course we were poor men, and had no money. Of course, we had put some money in it. I put some money in, and Mr. Thurston put some money in, and other people put in money in order to get this organization under way. But we did not have money to put into the organization, and also into this bond proposition which would not produce any revenue.

Mr. McCoy. Is it true that your collateral would not produce any revenue? Would they not call for such collateral as would produce dividends?

Mr. NAULTY. That is true in a sense, but the revenue produced from the collateral, from a business standpoint, would be very small. It would be holding a reserve fund which you could not use in your business at all.

Mr. McCoy. You were not investing money in collateral, but wanted it for use in your business?

Mr. NAULTY. Yes, sir; and we protested.

Mr. SLEMP. What did you offer the department?

Mr. NAULTY. My contention has always been to the department that no person has a right to sue the United States Government or any of the departments, and that under no circumstances could such a suit stand. Recently a decision in South Carolina covers that point. I pointed out to the First Assistant Postmaster General that no suit of this kind would lie against the Government, and that the Cutler Manufacturing Co. would not dare to turn around and sue the Post Office Department for permitting competition.

Mr. McCoy. Suppose you let that rest, and not argue the legal proposition. I have always supposed that if the Government should use a man's patented device wrongfully, that the patentee had some legal redress.

Mr. SLEMP. I understand that he could go before the Court of Claims.

Mr. NAULTY. I took the position that no action at law would lie under these circumstances, and, therefore, if their requirement was made to protect them against certain actions for infringement, that they were protecting themselves against a condition which could not exist.

Mr. SLEMP. And that the bonds were not necessary?

Mr. NAULTY. Yes, sir. We further made this effort, and submitted this proposition to the Post Office Department—that is, to Postmaster General Meyer—that, inasmuch as we have no desire to sue the department, we would be willing to enter into an agreement with every other mail-chute manufacturer not to sue the department, but fight it out among ourselves. I am willing to sign an agreement to that effect and bind myself and my company that we will not under any

circumstances sue the department, and of course other manufacturers could do the same thing.

(The correspondence referred to in Mr. Naulty's testimony is as follows:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 22, 1906.

Mr. EDWIN FAIRFAX NAULTY,
President Fairfax United States Mail Chute System,
150 Fifth Avenue, New York, N. Y.

SIR: Your letters of the 3d and 20th instant, in which you request that the mailing chutes of your company be formally approved by the department, have been received.

In reply you are informed that the matter will be taken up as soon as possible and that it is believed that a decision can be reached within a month from this date.

Respectfully,

GEO. B. CORTELYOU, *Postmaster General.*

NEW YORK, December 20, 1906.

Hon. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

DEAR SIR: On the 3d of December we wrote asking for the final approval. No reply has been received by us to this communication. Will you be good enough at your earliest convenience to take this matter up as delay has seriously hampered us.

Yours, truly,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM.
EDWARD FAIRFAX NAULTY, *General Manager.*

NEW YORK, December 20, 1906.

Mr. H. O. WEAVER,
Private Secretary to the Postmaster General, Washington, D. C.

DEAR MR. WEAVER: We have so far received no reply to our communication addressed to the Postmaster General. Can you not hurry things up and get action one way or another?

While we are delayed our competitor is daily using many arguments to show that he is the only man entitled to build mail chutes.

If you will recall my former letter you will remember that I quoted the German proverb about patient children. But sometimes patient children get ugly. I am a patient child. Must I get ugly?

Yours, truly,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM.
EDWIN FAIRFAX NAULTY, *General Manager.*

NEW YORK, February 7, 1907.

Mr. H. O. WEAVER,
Private Secretary to Postmaster General, Washington, D. C.

DEAR MR. WEAVER: Mr. Thorpe called at our office to-day and looked over the chute at 150 Fifth Avenue, and also went to Jamaica and looked over the chute which we have erected there. He informed me that he would take the matter up as soon as he got back to Washington, which would be the end of next week.

I hope that now we are on the last lap of the long-deferred approval, and will feel very much indebted to you if you will do all you can to push matters along.

Thanking you very much for your courtesy, I am,

Very sincerely, yours.

EDWIN FAIRFAX NAULTY.

NEW YORK, February 7, 1907.

Hon. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

SIR: At the request of Mr. Thorpe, we herewith inclose specifications of our type A, 1905 model. A full description of this model and its constituent parts was given in our letter of December 31. Our type 1, 1906 model, is practically

the same, except that instead of the slate back we use channel irons and steel or bronze plates, but the general construction is the same.

If, in addition to these specifications and our letter of December 31, any further information is required, we should be glad to furnish it.

Respectfully, yours,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
By EDWIN FAIRFAX NAULTY, *General Manager.*

NEW YORK, *February 21, 1907.*

HON. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

SIR: When Mr. Thorpe was here two weeks ago to examine our chute he promised that the matter would be settled very speedily, and that he would make a report as soon as he arrived in Washington, and he assured the writer that his report would be made in time, so that we ought to have had action on approval by the first of this week.

So far we have heard nothing from the department, and as we are making arrangements for the extension and development of our business, every day's delay means money lost to us.

Might I be permitted to ask you most earnestly that speedy action be taken, and that our approval be granted to us at the earliest moment possible? I would like also to have the approval granted to me, and not to the company, as of course the patents and invention are mine.

Respectfully, yours,

EDWIN FAIRFAX NAULTY,
President Fairfax United States Mail Chute System.

NEW YORK, *February 27, 1907.*

HON. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

SIR: We have been informed that the approval of our contract for the erection of a mail chute in the Hibbs Building, Washington, D. C., has been withheld under instructions from the First Assistant Postmaster General.

We have full authority to erect and install mail chutes, granted by you on October 14, 1905. We beg leave to inquire, in view of the fact that we now have a chute in operation in Washington, from which collections are being made and which has worked satisfactorily, whether or not your authorization means anything and whether the authorization of the Postmaster General may be set aside at the whim of a lesser official.

Very respectfully, yours,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
EDWIN FAIRFAX NAULTY, *General Manager.*

NEW YORK, *December 31, 1906.*

HON. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

DEAR SIR: On December 21 we forwarded to the postmaster of New York the necessary plans attached to an application to place in commission one Fairfax United States mail chute system erected at 524-526 West Fifty-seventh Street. Upon calling up the post office this morning the assistant postmaster informed us that the entire matter had been referred to Washington and that no reply had been received to that communication.

A letter of instructions which was sent to the postmaster concerning the installation of the chute at 150 Fifth Avenue contained the clause in which it was set forth that the chute at 150 Fifth Avenue might be tentatively placed in commission. The use of the word "tentatively" has placed us in rather an awkward position, so that we do not know where we stand.

Full authorization to build and erect mail chutes was given to the writer in October of last year, and in that letter it was specifically stated that as soon as

the chutes were found equal to the work for which they were designed "that final approval would follow as a matter of course."

The writer has been assured a number of times by Mr. Thorpe that as soon as the chute was erected in a business building, and subjected to a sufficient test, immediate action would be taken by the department. We have had at 150 Fifth Avenue, New York, a chute in continuous operation for nearly two months, during which time the chute has worked satisfactorily, except upon two occasions, when long letters were doubled up and forced through the mailing slot, opening up inside, thereby stopping the chute.

So far as proper mailing is concerned, the chute has worked in a thoroughly satisfactory manner. There are 21 collections a day from the chute at 150 Fifth Avenue, and the building, which is eight stories high, covers half a New York block, and contains many firms whose mail is unusually heavy.

The mailing in this building is particularly heavy, and ranges from postal cards to 2 and 3 ounce letters. A fair estimate of the amount of mail that passes through this chute in a day would be 10,000 letters, so that since its erection nearly half a million letters have passed through this chute. Even assuming that we cut this estimate in half, out of a quarter of a million letters mailed in the chute, not one which has been properly mailed has stuck. This is a record which has not been achieved by any other chute in the market.

We have received your esteemed favor of the 22d, in which we were informed that a decision would be reached within a month from that date. Of course we are not in a position to urge expedition on the part of the United States Post Office Department, but we have now in operation, for a sufficient period of time for a thorough test, four chutes—two in New York, one in Washington, and one in St. Louis. The ones in New York and Washington have given no trouble at all. Because of the insistence of the postmaster at St. Louis, construction never contemplated by the inventor was required. We are not certain that this construction will work satisfactorily, and it was only put in because insisted upon, and as a concession to the postmaster, due to the fact that this was the first chute that we had erected in the West.

Every day that the approval is denied us, enables our competitor to assert, as he has repeatedly done, that our apparatus is not approved, thereby giving him the advantage over us, in closing contracts. If this condition were merely a matter of a month or so, it would not be intolerable, but this condition has existed ever since the letter of authorization was granted us. Meantime the Cutler Manufacturing Co. have been steadily putting in an old form of chute which has not been approved, as I am informed by Mr. Thorpe, and according to the statement issued by the Cutler Manufacturing Co., their approval was granted upon one floor section of a chute installed in the St. Paul Building in New York.

This chute in the St. Paul Building is not Model C, nor their Standard model, as can readily be discovered by examination and comparison of the two models.

The Standard chute, made by Cutler and installed by him throughout the country, has not been approved, yet he finds no difficulty in getting the postmaster to take immediate action upon his applications to place these chutes in commission.

This hardly seems fair to us. Of course the writer is aware that the Post Office Department was not aware, until recently, that Cutler was thus double-dealing with the department, and that he was installing chutes different in construction from that upon which he obtained his approval.

Again, the Automatic Mail Delivery Co. obtained their final approval from drawings, as I was informed by Mr. Thorpe. In other words, all that they had to do was to show drawings of a chute alleged to conform with the regulations and upon these drawings obtain final approval. It is true that they had previously erected chutes under the old rules and regulations, but it is also true that this concern was compelled, in the Graham Building in New York, not only to rebuild the collection box, but also to entirely rebuild the chute. It was also compelled to entirely rebuild the chute erected in the Munsey Building at Washington, D. C. Not only that, but this chute was out of commission for nearly four weeks during the summer.

A chute erected by them in Baltimore has been unsatisfactory all the way through, so much so that we have been asked to bid upon the installation of our apparatus in its stead. Yet, although the Automatic Mail Delivery Co. had at that time no patents covering a locked mail chute, they were granted the approval under the conditions as set forth above.

Now, as to our side of the case. We have spent \$35,000 in our business, which money we should not have spent had we not received a letter of author-

ization in October, 1905, stating that our apparatus would be approved under certain conditions. We can not see why it is necessary to make a test of the chute cover an extended period of time. If a chute will work satisfactorily for one week in an office building it ought to work satisfactorily for a thousand weeks. It is simply a question of practicability.

As can be disclosed to you by Mr. Weaver, Mr. De Graw, Mr. Thorpe, Mr. Davis, Mr. Hall, of Baltimore, Mr. Willcox, of New York, and all the others with whom the writer has come in contact, I repeatedly asserted that our intention was to build the best mail chute in the market, to build it of the very finest material, and to use the very heaviest material that was practical. We have fulfilled every pledge to the department.

The threat made by our competitor, of infringement suits, possibly caused the insertion of the protection clause in the rules and regulations. We never have, and do not intend to, take any action of any sort in a legal way which would embarrass the department.

We have evinced on dozens of occasions our readiness to furnish a bond to the United States Government, although there is really no necessity for such bond on our part were it not for the attitude assumed by the Cutler Manufacturing Co.

We are in a critical position in our business. We have ample capital ready to come in to extend our business, so that we can compete for what is our just share of the contracts going out, but no financial arrangement can be completed until we have the final approval of the Post Office Department. We therefore most respectfully urge that immediate action be taken toward the granting of such approval.

We have erected and installed in the Westmoreland Apartment House, in Washington, D. C., one of our mail chutes. The Cutler Manufacturing Co., through their attorneys, Cutler representatives, and by correspondence have threatened the owners of this building with suits of all sorts, and have brought their threats to bear upon these owners to get them to take out our chute and install theirs. As the owners of this building are a bit timid it is quite possible that the Cutler Manufacturing Co. may succeed in their threats to have our chute removed, although it has been working successfully. We shall most strongly protest against the removal of this chute for any cause whatever, and desire to call this matter to the attention of the Department as only one of a series of threats which the Cutler Manufacturing Co. have indulged in to perpetuate their monopoly.

Under another cover, on Wednesday, we purpose filing with the department another letter, covering this phase of the business. It is our assumption, and we believe a correct one, that the department desires competition in the mail-chute business. The talk of the Cutler Manufacturing Co. about infringement is merely intimidatory. The Cutler basic patents have expired, even those as late as 1888.

The writer was granted a patent for a locked mail chute in October of last year. This patent has been issued. Cutler has obtained an interference in an application in the Patent Office. It is not necessary to call your attention to which is granted and an application which is pending, so that infringement talk or suits brought for infringement are merely for the purpose of frightening timid contractors.

You will pardon the length of this letter and of the one which follows, but affairs have come to such a state that action of some sort is highly desirable. The lesser officials of the department have time and time again promised to take action, with the result that to-day we are no further ahead than we were a year ago. Therefore we make this appeal direct to you, in the certain knowledge that we will receive just treatment.

Very respectfully, yours,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
EDWIN FAIRFAX NAULTY, *General Manager.*

NEW YORK, January 2, 1906.

HON. GEORGE B. CORTELYOU,
Postmaster General, Washington, D. C.

DEAR SIR: In our letter of December 31 we wrote you that we would to-day take occasion to call your attention to some of the pernicious threats made by the Cutler Manufacturing Co. to prevent us from building mail chutes. In this connection we desire to write that we are not submitting these facts to

you with any idea that the Postmaster General or the Post Office Department should interfere in a contest between business concerns, but merely to present the following to your attention, so that you may see exactly what the Cutler people are attempting to do, and can form your own conclusions therefrom.

In the first place, as set forth in our letter of December 31, the Cutler people, working under an authorization for one type of chute, have put in an entirely different type of chute in many buildings throughout the country. As we understand the matter, their authorization does not include their so-called standard form of chute, which is their old style form of chute, made exactly the same as it has been for the last dozen years, but with the addition of locking bands at the joints of completed sections.

The standard form of chute is so built that the sections are tubular, and the only means of clearing any section is by poking the letters through from the ends of the section, thereby in many cases destroying and mutilating mail which has been posted in the chute.

A standard form of chute can be built much cheaper than the Cutler approved model, and it has been the custom of the Cutler people, which can be proved, to make bids on both forms of chute and to advertise and assert that their standard form of chute has been approved by the Post Office Department.

In the early part of September we completed the installation of a mail chute in the Westmoreland Apartment House at Washington, D. C. This chute has been in continuous operation ever since and has worked satisfactorily. This chute speaks for itself. There is no complaint on the part of the postmaster's office in Washington nor on the part of the owners of the building, yet the Cutler Manufacturing Co. have exerted their utmost endeavor to intimidate the Kennedy & Davis Co., who own this building, and to force them to take out our chute and install their own.

In pursuance of this plan, Church & Rich, attorneys for the Cutler Manufacturing Co., wrote the following letter to Kennedy & Davis, dated November 30, 1906:

Messrs. KENNEDY & DAVIS,
13 G Street, Washington, D. C.

GENTLEMEN. As intimated by the writer to your Mr. Kennedy a few days ago, we take leave to notify you that by the use of the mail chute erected in the Westmoreland Apartment House (of which we believe you are the owners) by the Fairfax United States Mail System, you are infringing upon the rights of our client, the Cutler Manufacturing Co., of this city, as secured to it by letters patent, No. 726261, granted April 28, 1903, to James G. Cutler for mail chutes, and that unless the use of this chute is discontinued, and the structure removed, we will be obliged to commence suit against you for the enforcement of our client's rights.

An early reply will greatly oblige,

Very truly, yours,

CHURCH & RICH.

The two following letters from Kennedy & Davis are self-explanatory:

DECEMBER 22, 1906.

The FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
New York City, N. Y.

GENTLEMEN: The Cutler people are very persistent in their claim that the chute installed in the Westmoreland Apartment House infringes their patents, and they have informed us that they will soon begin suit unless some satisfactory arrangement is made with them by which it can be discontinued and their chute put in. They have made us a proposition to exchange chutes, if we will do so before suit is instituted, which we think would be very much better for us than to undertake to defend your patents in a suit at law, but we appreciate the fact that it would be a serious injury to your business to have this chute thrown out so soon after its installation, and we therefore hope that you will be able to give us satisfactory security against loss in the event of our declining their proposition and allowing them to fight.

This is a matter of vital importance to both the Westmoreland Apartment House Co. and yourselves, and we think it fully justified a visit to Washington by your representative, as there is much that can not be very well explained in a letter.

Yours, very truly,

KENNEDY & DAVIS Co.,
By E. S. KENNEDY, Treasurer.

On December 28 Kennedy & Davis wrote us that they had been visited several times by the Cutler representative and also by F. F. Church, Cutler's attorney, and they concluded their letter as follows:

"The situation is just this: That the Cutler people will give us an opportunity before any suit is entered of exchanging the chute we have for one of theirs, giving us a special price upon their chute, but in the event we decline their proposition then, in that case, we would be obliged, in the event of defeat in the suit, to pay whatever price they choose to demand; and it appears to us that it would be cheaper to accept their proposition than to fight them, even though we could win 'hands down.' Any defense we might undertake to put up would be exceedingly expensive, as it would involve expert counsel on the part of patent and legal attorneys, and we are quite certain that we would have to pay at the outset more than the price asked us by the Cutler people to these attorneys as retainer fees."

This will show you the methods adopted in one case. First, the Cutler people offered to put in a chute for nothing in exchange for ours, then they make all sorts of threats to Kennedy & Davis.

Another letter which we received from Blount & Blount, of Pensacola, Fla., dated May 7, 1906, reads as follows:

GENTLEMEN: The Cutler Mail Chute Co. sent me a paper, of which I inclose you a copy, from which it would seem that the Commissioner of Patents has directed that interference be declared between one of your patents and a patent to that company.

Frankly, I am better pleased with your chute and boxes, so far as I can gather from the circulars sent me, than with the Cutler chute and boxes, and, besides, it looks as if that company was trying to force you out of the field, and my inclination is to assist in preventing such forcing, if it can be done without detriment to myself.

In addition to the information, therefore, for which I wrote you a few days ago, please let me know:

1. Whether your chute and box are in any way an infringement upon the patents of the Cutler people. If so, in what way? If you claim that they are not, what security are you willing to give me that, in case the court should decide them to be, I would be held harmless in the event of my using your chute?

2. Have any of your chutes ever been constructed and put in use? The Cutler people claim positively that no single one has ever gone into a building yet.

3. In what time could you install your chute, if I decided to take it?

4. Send me diagrams or other necessary information to show what cutting of the floors would have to be done in order to install your chute.

5. The Cutler people claim also, as I have already written you, that there is no permission by the Post Office Department for the use of your system. They repeat this claim very positively.

Please let me hear from you at once.

Yours, very truly,

W. A. BLOUNT.

Still another letter from the same people reads as follows:

NOVEMBER 23, 1906.

GENTLEMEN: I was absent during a part of last month, and I understand that a representative of the Cutler Co. was here and stated specifically and emphatically that that company had won a lawsuit against your company, and that as a result thereof you would be prevented from erecting or installing any mail chutes, and that it would not be possible for you to put in mine. Please advise me what truth, if any, there is in this statement.

Mr. Blount is an attorney and a conservative man, and we have the utmost reliance on what he writes. The statements made by the Cutler's representative are absolute falsehoods. The only suit they have instituted is one which is useless for the reason that proper service was not made upon this corporation, the bill of complaint being defective in many ways.

The only other action is an action brought in the Patent Office, in which, by making the preposterous claim that the supporting bracket which incloses their standard form of chute is a back or backing in the same sense that our slate backing is a back or backing to the chute, the Cutler people have succeeded in getting an interference upon 2 of the 53 claims of the Naulty patent. In this case in the Patent Office we have won every move so far except one, when,

through the stupidity of an attorney, whom we have since discharged, the Cutler people succeeded in getting a minor decision in their favor.

Among the assertions made by the Cutler Manufacturing Co. through their representatives, for which we have proof in written form, are the following:

That the Fairfax system had installed chutes that had found to be defective and had been ordered out by the Post Office Department. This statement was made last July, before we had a chute in operation at all.

That there was no such concern in existence as the Fairfax system. That there had been, but they had failed and gone out of business.

That the Cutler Manufacturing Co. was in with the Post Office Department, and that no one but themselves could build mail chutes.

That there was no such company in existence as the Fairfax Co.; there had been at one time, but the Government would not accept their mail chute, and that the contractor was liable to get into trouble if he used same, as they made nothing that was authorized by the Post Office Department.

We do not expect our business enterprise to always sail upon "smooth seas," and we do not object to any reasonable or proper statements made by our competitor. If we can not build a better chute than he, and sell it cheaper, we can do no business. If we can, we will do business. We are building a good chute, and we defy the Cutler Manufacturing Co. to show one iota of evidence that we have ever made statements derogatory to them or to their apparatus, while they have hesitated at nothing which would injure us or our business, and have hampered and harrassed us in every way possible.

All we have ever asked for is fair play. We can protect ourselves in the courts against conspiracy, defamation of character, or illicit restriction of trade, and this we are now preparing to do.

We desire you to have a thorough knowledge of conditions as they now stand. In addition to the written statements made by the Cutler representatives, these representatives have verbally made all sorts of lying statements to contractors and architects, particularly in New York, for every one of which they will have to answer to us in due course of time.

You can see from the facts set forth above how essential it is for us to obtain our final approval as speedily as possible.

Under another cover we are sending you a full description of our two types of mail chute. The all-metal mail chute, Type No. 1, 1906, and the mail chute with a slate back, Type A, 1905.

Yours, respectfully,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM.
EDWIN FAIRFAX NAULTY, *General Manager.*

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., January 3, 1907.

MY DEAR SIR: Your letter of the 31st ultimo has been received, and in reply, I beg to say that the matters to which you refer will be given the fullest considerations.

Very truly, yours,

GEO. B. CORTELYOU,
Postmaster General.

Mr. EDWIN FAIRFAX NAULTY,
Fairfax United States Mail Chute System,
150 Fifth Avenue, New York, N. Y.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., January 4, 1907.

MY DEAR SIR: Your several letters of recent date have been received, and will be given full consideration.

Very truly, yours,

GEO. B. CORTELYOU,
Postmaster General.

Mr. EDWIN FAIRFAX NAULTY,
Fairfax United States Mail Chute System,
150 Fifth Avenue, New York, N. Y.

NEW YORK, *February 2, 1907.*

Hon. G. B. CORTELYOU,
Postmaster General, Washington, D. C.

SIR: On December 22 we received your esteemed favor, in which we were assured that action covering the formal approval of our apparatus would be taken within a month.

As set forth in our letters of December 31 and January 2, the lack of formal approval is seriously hampering our business.

Even if we only had the chute at 150 Fifth Avenue in operation, the tests applied to this chute during the months it has been in commission seem to us to be sufficient to demonstrate the entire practicability of our apparatus.

May we be bold enough to ask that the approval be given us as speedily as possible?

Respectfully, yours,

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM.
 EDWIN FAIRFAX NAULTY,
General Manager.

MAY 17, 1909.

Mr. C. P. GRANDFIELD,
First Assistant Postmaster General, Washington, D. C.

DEAR SIR: Will you kindly let me know what disposition has been made of my request for publication of order No. 157, issued March 2, 1907, by Postmaster General Geo. B. Cortelyou, about which I talked with you when I was last in Washington?

Possibly the recent news of the absorption of the Automatic Mail Delivery Co. by the Cutler Manufacturing Co. may prove what I have so long contended. We are still independent, and purpose remaining so.

Very truly, yours,

E. F. NAULTY, *General Manager.*

POST OFFICE DEPARTMENT,
 FIRST ASSISTANT POSTMASTER GENERAL,
 DIVISION OF CITY DELIVERY,
Washington, May 21, 1909.

Mr. E. F. NAULTY,
No. 150 Fifth Avenue, New York, N. Y.

SIR: In reply to your communication of the 17th instant asking to be informed what action has been taken upon your request for publication of order No. 151, issued March 2, 1907, by the Postmaster General, in regard to the mailing chutes manufactured by your concern, I beg leave to inform you that the matter was referred some time since to the law officer of the department and a decision has not yet been reached. You will be further advised as soon as possible.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster General.

MAY 22, 1909.

Hon. C. P. GRANDFIELD,
First Assistant Postmaster General, Washington, D. C.

DEAR SIR: In reply to your communication of May 31, in response to mine of the 17th, regarding the publication of order No. 157, I was not aware that the question of the publication of this order was in the hands of the attorney general for the department.

I can not understand why, if the order for the Cutler Manufacturing Co. and the Automatic Mail-Delivery Co. has been made public, I should still be denied publicity of this order, issued now over two years ago. Frankly, as I have been attempting to get this order made public for a year and three months, it seems to me as though somewhere in the department there is unnecessary delay. That the order was issued and signed by Postmaster General Cortelyou I know, for I have a copy of it, together with a letter inclos-

ing it, and also a letter of advice referring to the order itself and its text. The previous explanation given me by mail that the nonpublication of this order was due to clerical interpretation of its nonnecessity, was the explanation offered at that time. Now it seems the matter is in the hands of the attorney general for the department.

It may be possible that you assume that I am talking about the bond; I am not, in this matter—merely the question of the publication of this particular order. The approval order for the two other firms was made public, and I can see absolutely no further reason for withholding the publicity of order No. 157.

On my last visit to Washington I came away with the understanding that you were to look into this matter, and if the order had not been published, as I had shown, you would see that it was given publicity through the usual post-office channels.

Very truly, yours,

E. F. NAULTY.

JUNE 7, 1909.

Hon. C. P. GRANDFIELD,

First Assistant Postmaster General, Washington, D. C.

DEAR SIR: I am out of patience with the way I have been treated by the Post Office Department. Unless some satisfaction is given me concerning the matters which I have written you about, I will bring the same to the attention of the President of the United States, and since Congress is now in session, and I have some friends as Representatives, I shall ask some of them to introduce a bill calling for a complete investigation of the entire mail-chute situation.

I have simply lost patience. I do not hold you personally responsible for the condition, but there is responsibility somewhere, and I purpose fixing that responsibility.

May I be permitted to call to your attention the eleventh section of the Constitution of the United States, and to suggest that the Constitution of the United States rises superior to any interpretation of the rules of a department of the Government?

Very truly, yours,

E. F. NAULTY,
General Manager.

JUNE 11, 1909.

Mr. C. P. GRANDFIELD,

First Assistant Postmaster General, Washington, D. C.

DEAR SIR: In reply to your communication of June 8, which was in reply to mine of the 7th of June, I note what you say in regard to the extract from letter addressed to me November 30, 1907. This, however, does not explain the last sentence of your quoted extract, which reads as follows:

“Of late it has been the practice to promulgate all orders affecting the postal service, which accounts for the publication of Order No. 683, dated September 13, 1907, in which the model F Cutler chute is approved.”

This is the exact crux of the entire situation: The Cutler Manufacturing Co., which has absorbed the Automatic Mail Delivery Co., is enabled to point out the fact that an approval of theirs of 1907 has been given, and calling the attention of architects, owners, and builders, and others desiring mail chutes to the fact that there has been no official promulgation of Order No. 157 approving the mail chute made by me.

Since the “clerks in charge” of the bulletin and the Official Postal Guide “at the time the order in question was issued”; that is, my order, “appear to have been of the opinion that it should not be printed,” it seems to me absolutely essential that this opinion, in view of the circumstances, should be revised by superior authority and the order now given promulgation in the bulletin and Official Postal Guide, Order No. 157, of March 2, 1907, approving my make of chute.

We do not get ahead toward any decision in your letter of June 8, initialed “E. H. T.,” which neither refuses to publish this order nor promises to publish it. Therefore, in so far as this part of my communication is concerned, I must again refer you to the position taken in my letter of the 7th instant. In regard to the question of bond, I must again call your attention to that provision of the Constitution of the United States regarding suits against the United States, and since the present situation concerning bonds is so intolerable and unjust that I am prevented from doing business thereby, and concluding con-

tracts which I could otherwise get, and since that condition continues I must insist that some action be taken by the department from which we can protect future business, if necessary.

Despite all this, my consideration for you personally remains as it has ever been.

Very truly, yours,

EDWIN FAIRFAX NAULTY.

Mr. McCoy. Have you developed the bond situation to the point where we can put Mr. Thurston on the stand?

Mr. NAULTY. Yes, sir.

STATEMENT OF MR. ALFRED H. THURSTON, OF ORANGE, N. J.

(Mr. Thurston was duly sworn by the chairman.)

The CHAIRMAN. Are you officially or individually connected with the Fairfax United States Mail Chute System?

Mr. THURSTON. I am the treasurer of the company, yes, sir.

The CHAIRMAN. And you are now?

Mr. THURSTON. Yes, sir.

The CHAIRMAN. You may in your own way make such statement regarding this matter as you wish.

Mr. THURSTON. We had gotten to the point where we were low in funds, and this matter of the bond business made it impossible for us to get any, because none of us individually had the collateral to back up and satisfy the security companies and secure these bonds. The money which had been put into the concern had been used up in conducting it in the ordinary course of its business, and funds were at a low ebb at that time.

Mr. ALEXANDER. Mr. Naulty, if you have any questions to ask Mr. Thurston, I suggest that you do so. What do you want to prove by him?

Mr. NAULTY. That the fact, Judge Alexander, of that bond question coming upon us at that time prevented us from making headway. Our funds were low; we had contracts in hand to the amount, at that time, of just about \$70,000; we had worked this business up to the point where we were just beginning to make headway; our contracts were beginning to mature, and it was important that we should have capital; that the bond requirement prevented us from getting money, which we might otherwise have gotten from persons who would be willing to take the ordinary business risks.

Mr. NAULTY. Mr. Thurston, in 1907, you made an effort to obtain capital for the Fairfax Mail Chute System, did you not?

Mr. THURSTON. Several times.

Mr. NAULTY. And in that effort to obtain capital, you made representations to persons of means as to the standing of the company, its business in hand, and such other matters as would be likely to interest them in the investment?

Mr. THURSTON. Yes, sir.

Mr. NAULTY. Did you in any case—take your own case, for instance—had it not been for this requirement for a bond and collateral, and had the order of approval been issued, would you not yourself have further invested in the Fairfax system, taking in view the contracts on hand and your belief in its successful prosecution of its business?

Mr. THURSTON. I should have been inclined to do so, but I am not sure that I would have done so, because I did not have the money at that time.

Mr. NAULTY. Did not this condition prevent your consideration of any such investment?

Mr. ALEXANDER. What interfered with the prosecution of your business, and what relation did it have to any action of the Post Office Department here at Washington? After you finally got the order recommending your device, what obstacle did the Post Office Department put in the way of the prosecution of your business?

Mr. THURSTON. The matter of this bond business was what finally practically closed us up. The matter of this bond business was what we could not meet.

Mr. NAULTY. Is it not a fact that in your efforts to obtain capital for this concern you were met by the fact that the Post Office Department had required from the Fairfax system a bond and collateral, and did not that prevent you from obtaining additional capital for this concern with which to prosecute its business?

Mr. THURSTON. That had a strong bearing on it in many cases.

Mr. NAULTY. It was a strong factor?

Mr. THURSTON. Yes, sir.

Mr. NAULTY. You made such efforts to obtain additional capital?

Mr. THURSTON. Yes, sir.

Mr. ALEXANDER. Do you regard the requirement of the Post Office Department as unreasonable?

Mr. THURSTON. In the sense that it would tie up our capital indefinitely, some part of it, and we have not the capital to tie up. A rich concern might have been able to meet a small bond, or several small bonds, and afford to let that money be indefinitely tied up for the sake of the approval of the department, perhaps considering it as an investment in their business, even though it made no cash return.

Mr. ALEXANDER. Do I understand that for every building in which you installed this mail chute you were required to give a bond in the sum of \$5,000?

Mr. THURSTON. I can not say as to that. I understood that the proposition was for a blanket bond. Mr. Naulty was more cognizant with that. He was the general manager of the company.

Mr. ALEXANDER. Is this true, then, that the department simply asked you to put up a blanket bond of \$5,000 to save the Government harmless for any claim of infringement of patent, and that would apply to all your business—just one bond of \$5,000?

Mr. THURSTON. I so understood. I understood at the time that that bond was to be \$25,000. I had forgotten.

Mr. NAULTY. It was \$25,000 at that time.

Mr. ALEXANDER. But it was reduced to \$5,000?

Mr. NAULTY. Mr. Thurston did not know of that reduction at that time. That reduction was not made until after that time.

Mr. THURSTON. My connection with this company was very inactive. Mr. Naulty, as president and general manager, had charge of all these matters, and I was not in constant and familiar touch.

Mr. McCoy. Did you make any effort to interest capital in this business at the time when the requirement for a \$25,000 bond existed?

Mr. THURSTON. I made efforts for a long time. I do not recall the dates at which I tried to interest my friends and other people that I hoped would be possible investors in the company.

Mr. MCCOY. Did you at any time, in making those efforts to interest capital, mention the fact that a bond of \$25,000, or of any other sum, was required?

Mr. THURSTON. I do not recall that I did.

Mr. MCCOY. Then you can not say that, because of the requirement of a bond in any sum whatever, any person whom you approached declined to consider making the investment?

Mr. THURSTON. Not positively, no, sir; I can not.

Mr. ALEXANDER. What do you say in answer to my question, which was, if a blanket bond in the sum of \$5,000 was required by the Post Office Department, did you regard that as unreasonable or harsh or oppressive on the part of the department?

Mr. THURSTON. It was a requirement which we could not meet at that time.

Mr. ALEXANDER. Was it unreasonable, though?

Mr. MCCOY. Could you have met a \$5,000 bond?

Mr. THURSTON. It was a \$5,000 bond that we could not meet then.

Mr. NAULTY. But was not the fact that there was no end to these bonds the stumbling block, that the letter of advice from the department specifically stated that if it was necessary to increase this bond at any time on account of additional business, additional mail chutes sold, that would be done?

Mr. THURSTON. I understood so; that this bond which was under consideration was only a starter, and this thing would have to go on indefinitely, and if we kept on building chutes, we would have to keep on putting up bonds, and gradually investing more and more money, or setting aside more and more money in that way, where it would be absolutely dead, and with no prospect of our ever being able to get it back into our active and working capital.

Mr. NAULTY. So that the Fairfax system, at that time, having \$3,000 worth of contracts which the department had under consideration, and being required to put up \$5,000 worth of bonds to cover those contracts, and being informed if other contracts were taken the department reserved the right to increase the amount of the bond, you might have figured in your mind that if the concern did a business of \$100,000 a year in selling price of mail chutes, it might be compelled to put up an amount in bonds covering that; that there was no determination of that bond; that that was the inference that could be drawn from all the correspondence with the department; that you had no decision as to when these bonds would be determined?

Mr. THURSTON. I understood that that was the fact at that time.

Mr. NAULTY. Mr. Thurston, you remember the mail chute which was erected in the Ohio Saving & Trust Co., in Toledo, Ohio?

Mr. THURSTON. That was the one which was commonly referred to in the office as the Ohio building?

Mr. NAULTY. Yes.

Mr. THURSTON. I remember there was such a contract; yes. The chute was erected, was it not?

Mr. NAULTY. Yes.

Mr. THURSTON. You went out there to superintend its installation, I believe.

Mr. NAULTY. You saw the contract for the chute in the Ohio building, and is that the contract you had with the price of the chute set forth in it?

Mr. THURSTON. I presume it is. It is out of the office records, is it not?

Mr. NAULTY. Yes.

Mr. THURSTON. Those are your signature and Harrison's.

Mr. NAULTY. The price which we obtained for that chute, \$1,170, is set forth in that contract.

Mr. THURSTON. \$1,150. I have not seen this for two or three years, as you know.

Mr. NAULTY. Just one more question, Mr. Thurston. In this do you recall that we were compelled to obtain a bond to the amount of \$5,000 on that job?

Mr. THURSTON. A bond had to be obtained before that chute could be opened; yes. That was the time that this matter came up, was it not, that this bond had to be accomplished before that chute could be opened?

Mr. SLEMP. I understood you to say awhile ago that that bond was a general blanket bond, applicable to all your business, and these. I suppose, were the first chutes you were putting in?

Mr. THURSTON. No; there were two or three chutes up before that, I believe. I am not familiar with that as to the dates. But the 150 Fifth Avenue chute was working; the chute in the building where we had our office.

Mr. TOWNER. There are two or three things Mr. Thurston knows about I think perhaps it would be well to have in the record. You said, Mr. Thurston, that your company was embarrassed; I believe your capital stock was \$25,000, was it? What was your capital stock?

Mr. THURSTON. It was capitalized at \$250,000; that was the authorized. There was about \$25,000 in the business up to that time.

Mr. TOWNER. In other words, there had never been but \$25,000 of the capital stock paid into the company?

Mr. THURSTON. Approximately; cash paid in.

Mr. NAULTY. That stock, however, had been sold at par.

Mr. TOWNER. I believe you said also that you had obtained about \$3,000 worth of contracts, did you not?

Mr. THURSTON. That I had obtained them?

Mr. TOWNER. The company, of course, I am speaking of.

Mr. THURSTON. We had obtained a great many more than that.

Mr. TOWNER. You had obtained many more contracts than that?

Mr. THURSTON. We had more contracts than that. But I am not sure as to the dates when we had them. I am not sure it was prior to the date of this letter. As I said, I have not been in familiar touch with this thing for more than two years.

Mr. TOWNER. Your complaint is largely the fact that you could not get the capital placed on the market and sold because of these things. Is that the complaint?

Mr. THURSTON. Because of the bond requirement.

Mr. TOWNER. You were getting plenty of contracts, were you not?

Mr. THURSTON. The bond requirement virtually brought us to a
hill.

Mr. ALEXANDER. When was that?

Mr. THURSTON. That letter is July, 1907. I do not know how much longer we kept struggling.

Mr. ALEXANDER. Then, at that time, the requirement was of a bond of \$25,000, was it?

Mr. THURSTON. I think it had then been reduced to \$5,000. That matter of the bond and its reduction I am not familiar with.

Mr. ALEXANDER. Then you do not undertake to say? I do not see that Mr. Thurston has knowledge of any facts that Mr. Naulty has not more accurate knowledge of.

Mr. THURSTON. No, sir.

Mr. TOWNER. Then the reason, according to your idea, Mr. Thurston, that you are complaining now against the Post Office Department, is that you could not sell your capital stock because of some requirements that they made; is that true?

Mr. THURSTON. Very largely. The matter of the delay on our authorization, which Mr. Naulty has referred to, and this bond.

Mr. NAULTY. Mr. Thurston, is it not a fact that had we been able to go ahead and execute the contracts which we had in hand that we would not have needed any additional capital stock; that we had already, ourselves, put sufficient money into this concern to provide a factory, tools, materials, and everything of that sort, and that these contracts which I had obtained were sufficient of themselves, if we had been able to execute them, calling particularly to your mind the situation which existed in the middle of July, 1907, when a series of contracts began to mature in August, September, and October of that year, so that we could have, had we been permitted by the Post Office Department to install these chutes, gone on and built those chutes, and gone on with our business in the situation that we were in at that time? Is not that so, as a fact? Is not that the condition, the prevention of our doing business, rather than the selling of the capital stock, in which we were interested at that time?

Mr. THURSTON. Yes, sir.

Mr. McCoy. In other words, so far as the manufacturing end of your business, so far as the question of installing these chutes was concerned, you were sufficiently equipped with either capital or credit to have gone ahead and conducted your business?

Mr. THURSTON. Had we not been delayed by the matter of the order and the bond business. The delay in the authorization and opening chutes which we had up set us back there, so that we could not get the money to go on with the next one. We had only a small amount of money, and our office and shop and labor and material expenses, of course, were going on all the time. You know those things eat up money very fast.

Mr. McCoy. In other words, a mail chute could not be used without the authorization of the department, and you could not get your money without the authorization of the department and the chutes being in use?

Mr. THURSTON. Exactly.

Mr. NAULTY. Is it not a fact that we built for the Sheffield Farms, on Fifty-fifth Street, in New York, one complete mail chute?

Mr. THURSTON. That has not been opened.

Mr. NAULTY. And that that mail chute has not been opened?

Mr. THURSTON. Yes.

Mr. NAULTY. And we have been unable to put it in use, and we have not received complete payment for that chute; and that it was the impossibility of collecting payment for chutes which the department prevented us from opening and putting into use, which was the thing that brought us to the condition in which we got at that time, rather than any effort to sell capital stock?

Mr. THURSTON. I think I have already answered that question.

Mr. SLEMP. You knew perfectly well, when you went into business and sold stock in the company, of the regulation of the Post Office Department requiring a bond?

Mr. THURSTON. No, sir.

Mr. SLEMP. You did not know of it?

Mr. THURSTON. I did not.

Mr. SLEMP. These regulations were issued on August 8, 1905.

Mr. THURSTON. I might have been told of that. I may have understood it when I bought stock; but it was not anything that I recall as having had a bearing on my purchase of the stock at all.

(Thereupon, at 11.50 o'clock a. m., the committee went into executive session, at the conclusion of which a recess was taken until 3 o'clock p. m.)

COMMITTEE ON EXPENDITURES
IN THE POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Saturday, June 17, 1911.

AFTERNOON SESSION.

The committee reconvened, pursuant to the taking of recess, at 3 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, McCoy, Austin, Slemp, and Towner.

TESTIMONY OF MR. JOSEPH HENRY McALLISTER.

The witness was duly sworn by the chairman.

The CHAIRMAN. State your name in full and your city residence.

Mr. McALLISTER. Joseph H. McAllister; 311 I Street NE.

The CHAIRMAN. Mr. McAllister, you are in the employ of the Post Office Department at this time?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. In what division, and in what capacity?

Mr. McALLISTER. In the Division of Supplies; clerk in charge of the shipping section.

The CHAIRMAN. How long have you been so employed?

Mr. McALLISTER. I have been in the Post Office Department eight years the 1st of July.

The CHAIRMAN. How long have you been in the Division of Supplies?

Mr. McALLISTER. This fall it will be four years.

The CHAIRMAN. What do you know, Mr. McAllister, about the crating and shipment of Mr. G. G. Thomson's household goods some time during last year?

Mr. McALLISTER. Nothing.

The CHAIRMAN. You do not know anything about any boxes having been sent up from the Post Office Annex to his residence?

Mr. McALLISTER. No, sir.

The CHAIRMAN. You do not know that six crates or boxes were sent up from the Post Office Annex to his residence?

Mr. McALLISTER. No, sir.

The CHAIRMAN. What do you know about household goods having been crated in the annex for Mr. Thomson?

Mr. McALLISTER. I do not know that they were, but from hearsay I understand they were crated on the second floor.

The CHAIRMAN. By whom?

Mr. McALLISTER. By Mr. Byrne.

The CHAIRMAN. Do I understand that Mr. Byrne did crate his household goods there in the Post Office Annex?

Mr. McALLISTER. That is the understanding among the employees; yes, sir.

The CHAIRMAN. That was talked among the employees?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. But you did not see Mr. Byrne engaged in that work?

Mr. McALLISTER. No, sir; I did not.

Mr. McCoy. Did you ever see the goods there?

Mr. McALLISTER. No, sir.

Mr. McCoy. You do not know whether or not they were stored there for some time?

Mr. McALLISTER. No, sir. You see, my duties are on the fourth floor, and I do not have any occasion to go down there.

Mr. ALEXANDER. You say your duties are on the fourth floor?

Mr. McALLISTER. Yes, sir; where all the packing is done.

The CHAIRMAN. You say, then, that you did not send six boxes, or more or less, from the Post Office Annex to Mr. Thomson's residence in this city, by a Post Office Department wagon?

Mr. McALLISTER. No, sir.

The CHAIRMAN. Have you had any conversation with Mr. Thomson, or any other superior officer, during the past few days about this investigation?

Mr. McALLISTER. No, sir.

The CHAIRMAN. You knew nothing about it?

Mr. McALLISTER. No, sir; not until the man came after me this morning.

The CHAIRMAN. You had not seen anything about it in the papers?

Mr. McALLISTER. In the newspapers I saw of it; yes, sir.

The CHAIRMAN. Then you knew something about it?

Mr. McALLISTER. I mean, an official or anybody telling me anything about it.

Mr. McCoy. What are your duties in the Supply Division?

Mr. McALLISTER. Overseeing the packing. When the requisitions come in I distribute them among the different cases, then I see that they are properly wrapped and properly packed, and then just lay them and leave them there for the freight man to handle.

Mr. SLEMP. You have nothing to do, then, with the crating of supplies, or anything of that kind?

Mr. McALLISTER. No, sir.

Mr. SLEMP. You lay them out and somebody else takes them and crates them?

Mr. McALLISTER. No, sir; I do not even lay them out. I just hand the requisition to the men in the cases, and they lay them out, and the packers take them and pack them.

The CHAIRMAN. What pay do you receive?

Mr. McALLISTER. Fourteen hundred.

The CHAIRMAN. How long have you been receiving that pay?

Mr. McALLISTER. Since March of this year.

The CHAIRMAN. What did you receive previous to that time?

Mr. McALLISTER. Twelve hundred.

The CHAIRMAN. To what do you attribute this increase of salary or promotion?

Mr. McALLISTER. Efficiency.

The CHAIRMAN. You attribute it to your efficiency?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. And not to the influence of any superior officer?

Mr. McALLISTER. No, sir. I certainly worked hard for it.

The CHAIRMAN. Did you not make a request of any superior officer for that promotion?

Mr. McALLISTER. No, sir; never in my life.

The CHAIRMAN. You were not expecting to receive it?

Mr. McALLISTER. No, sir.

The CHAIRMAN. It came to you as a surprise?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. Is it a civil service position?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. You were appointed on examination?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. Are you transferred on examination?

Mr. McALLISTER. No, sir.

Mr. McCoy. Those transfers are made without examination?

Mr. McALLISTER. Yes, sir. I was transferred from the Fourth Assistant's office to the Division of Supplies.

The CHAIRMAN. Mr. McAllister, you have some knowledge, have you, of some other witnesses having been subpoenaed from your division?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. How did you obtain that information?

Mr. McALLISTER. The process server called me and showed me what he had, and told me to call the men he wanted.

The CHAIRMAN. Who is Mr. Cook? Is there a Mr. Cook employed in your division?

Mr. McALLISTER. He is our present superintendent.

The CHAIRMAN. Did Mr. Cook criticize you for allowing the subpoenas to be served upon employees without first having called his attention to the fact?

Mr. McALLISTER. No, sir.

The CHAIRMAN. He did not say anything to you about it?

Mr. McALLISTER. No, sir.

The CHAIRMAN. He did not call you on the mat, so to speak?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. Did he say anything to you about it at all?

McALLISTER. Mr. Cook? No, sir.

Mr. ALEXANDER. Did you have any conversation with him in reference to it in any way whatever?

Mr. McALLISTER. No, sir; not a word.

The CHAIRMAN. How about Assistant Superintendent Dolan; did you have any similar talk with him?

Mr. McALLISTER. Yes, sir; all he asked me was that I should send anyone that came to see an employee to the office first.

The CHAIRMAN. Send them to him first?

Mr. McALLISTER. Send them to the office. He did not say to him personally, but to the office. Anyone should go to the office first that wanted to see any employee.

The CHAIRMAN. Was he displeased because the subpoenas had been served without having first been called to his attention, or sent to the office?

Mr. McALLISTER. He was not exactly displeased, but he did not like it. He does not want anyone to see employees during office hours. The office rule has been for anyone who wanted to see an employee to go to the office and they would call the employee to the office.

Mr. ALEXANDER. Does that apply to an official serving a subpoena?

Mr. McALLISTER. I do not believe this man stated what his purpose was when he came.

The CHAIRMAN. Did he tell you not to excuse any more men or to allow more subpoenas to be served without first calling the same to his attention?

Mr. McALLISTER. He told me not to let anyone come down there any more—yes, sir—without calling it to his attention.

The CHAIRMAN. Did he give any reason for that order?

Mr. McALLISTER. No, sir; he just said to send anyone to him.

Mr. ALEXANDER. When these witnesses were subpoenaed were any of them taken before Mr. Dolan or Mr. Cook?

Mr. McALLISTER. No, sir; not to my knowledge.

Mr. AUSTIN. What is your position?

Mr. McALLISTER. Clerk in charge of the shipping section.

Mr. AUSTIN. You did not understand from this statement made by the superintendent that he was opposed to these subpoenas being served on the various clerks there?

Mr. McALLISTER. The superintendent never said anything to me about it.

Mr. AUSTIN. I mean Mr. Dolan. Really, do not all people who come there to transact public business go to the superior officer? Is that not the mode of handling the department?

Mr. McALLISTER. Yes, sir; and they generally call them upstairs and talk to them up there.

Mr. ALEXANDER. Do you know of any employees about the Post Office Department, whether in your division or not, being used by officers outside in their private business in any way whatever?

Mr. McALLISTER. I do not know of any outside; no, sir.

Mr. ALEXANDER. What I mean is this: Do you know of any employees being used by officers in transacting business for or doing work for these officials outside of the Post Office Department?

Mr. SLEMP. Of a private nature.

Mr. McALLISTER. I do not know of any; no, sir; only by hearsay of that furniture.

Mr. ALEXANDER. Did you ever hear of this instance where one of the officials there in your division sent some laborers to prepare a tennis court for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. And another sending an employee to pick cherries a day and a half for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. And Thomson sending employees there to crate his household goods and ship them for him?

Mr. McALLISTER. No, sir.

Mr. ALEXANDER. You never heard of that?

Mr. McALLISTER. No, sir; only, as I say, from hearsay about the building.

Mr. ALEXANDER. Where were you during that time?

Mr. McALLISTER. I was superintending my work.

Mr. ALEXANDER. You are on what floor?

Mr. McALLISTER. The fourth; there are about 20 or more men there, and I order all the stock they send out, and then superintend the floor, too.

Mr. ALEXANDER. Did you hear of it at the time that that was being done?

Mr. McALLISTER. I heard it; yes, sir; among the employees, that he was doing that there on the second floor.

Mr. SLEMP. That Mr. Byrne was?

Mr. McALLISTER. Yes, sir.

Mr. McCoy. Do you have any time clocks in the Supply Division?

Mr. McALLISTER. No, sir.

Mr. SLEMP. Is Mr. Byrne under your supervision in any way?

Mr. McALLISTER. Yes, sir; he is my assistant.

Mr. SLEMP. You direct his work?

Mr. McALLISTER. Yes, sir.

Mr. SLEMP. Does he report to you every day the work done by the men under him and the number of hours they are in the service?

Mr. McALLISTER. No, sir; he is just assistant when I am away. When I am there Mr. Byrne goes in the case and works, and, of course, I then just watch it all; and when I am away Mr. Byrne watches it all.

Mr. SLEMP. Should you not have known, officially, if Mr. Byrne was doing this work of a private nature?

Mr. McALLISTER. I was just asked to send him to the office, and then that was all I knew of it.

Mr. SLEMP. I say, ought you not to have known that he was sending some of the employees out on private work?

Mr. McALLISTER. I do not know, sir; they never reported to me. The employees never reported to me. I would simply send them up to the office, and if they would send them somewhere I would not know anything about it.

Mr. McCoy. If Mr. Byrne had been away two or three days, would it not ordinarily have been a subject of inquiry by you where he was, and why he was not doing the work which you directed?

Mr. McALLISTER. The superintendent's office, you see, had ordered him to do some work, and I would not inquire; no, sir. I supposed he was still with them.

The CHAIRMAN. You are acquainted with Mr. Byrne?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. What do you say as to his reputation for truthfulness?

Mr. McALLISTER. I should think it was all right.

Mr. SLEMP. Your record down there at the department has had what grade—excellent?

Mr. McALLISTER. When that list came out the 17th of March it said, "Employees promoted for efficiency," and I was in the list. That is the only way I have had of seeing whether it was efficient, or good, or what it was. I could not tell the grade. But I have handled all that work by myself ever since I have been there.

The CHAIRMAN. I understand you to say that, of your own knowledge, you do not know that Mr. Byrne performed this work for Mr. Thomson, or any of these other employees did, but you heard it talked among the employees that they did do the work for him?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. You heard that?

Mr. McALLISTER. Yes, sir.

The CHAIRMAN. That is general talk among the employees?

Mr. McALLISTER. That is the general understanding among the employees.

Mr. McCoy. Did you hear it while the work was being done?

Mr. McALLISTER. While they were away?

Mr. McCoy. While Byrne was out of your room there on this work for Mr. Thomson, did you hear of it then?

Mr. McALLISTER. Yes, sir. They were speaking of it then, that he was there doing it; but I never saw him doing it. You see, I had no occasion to go down there at all.

The CHAIRMAN. You did not see him perform the work, but you know that he did do it?

Mr. McALLISTER. Yes, sir.

(The witness was excused.)

TESTIMONY OF ABRAHAM LINCOLN ALEXANDER (Colored).

The CHAIRMAN. State your name in full.

Mr. ALEXANDER. Abraham Lincoln Alexander, named on the battle field when Gen. Banks ran away from Winchester. I was a baby then. [Laughter.]

The CHAIRMAN. Mr. Alexander, you will inform the committee whether or not you are employed in the Post Office Department.

Mr. ALEXANDER. Yes, sir; I am.

The CHAIRMAN. In what division and in what capacity?

Mr. ALEXANDER. I am a laborer under the chief clerk's division, detailed to the wagon.

The CHAIRMAN. The chief clerk; who is the chief clerk?

Mr. ALEXANDER. Mr. Weed.

The CHAIRMAN. What is the nature of your business; in other words, what do you do?

Mr. ALEXANDER. I have charge of the transportation of all the supplies and everything between the post office and the annex and the branches. I have the ice and the mail and the trash and everything that has to go. I have to haul it during the day, regular mail trips. I haul the registered mail and the waste paper.

Mr. SLEMP. You do not mean you drive the wagon?

Mr. ALEXANDER. Yes, sir; I am the wagon driver. All that comes in my line.

The CHAIRMAN. Mr. Alexander, did you ever deliver any boxes or material of any kind at the residence of Mr. G. G. Thomson in this city?

Mr. ALEXANDER. I may have. I do not know just how to answer you on that question. I have been to his house, but I have never delivered anything of material value, or boxes the kind I think you have in question here.

Mr. McCoy. How do you know what kind we have in question?

Mr. ALEXANDER. Because the men that are coming up here—and you are examining them, and we know what you are talking about.

Mr. McCoy. They go back and tell you all about it, do they?

Mr. ALEXANDER. No; I have an idea, just naturally would have an idea, working right there.

The CHAIRMAN. You have heard some talk among the employees, have you, about post-office employees being subpoenaed to appear before this committee?

Mr. ALEXANDER. Yes, sir; I read it, too, of course; the first thing I seen on the page.

The CHAIRMAN. Have you had any talk about this investigation with any of your superior officers?

Mr. ALEXANDER. No; I have not talked it over with anybody.

Mr. McCoy. You have talked with the boys in the department, have you not?

Mr. ALEXANDER. No; honestly, I have not.

Mr. McCoy. Have you not overheard them talking?

Mr. ALEXANDER. I do not put any use in everything I hear.

Mr. McCoy. You have to tell us everything you know here.

Mr. ALEXANDER. No; I can honestly tell you I have not, because I mind my own business. I have not been around in the office; I keep out of it.

The CHAIRMAN. Are you not just a little bit afraid to get mixed up in this investigation?

Mr. ALEXANDER. Not a particle. I will give you the honest truth, if you ask me, no matter what you do, so help me God. I mean every word of it; I am honest about this.

Mr. McCoy. We will assume you will tell the truth. Now, then, tell the truth. You said a few minutes ago it was a matter of common talk among the boys down in the department that Mr. Thomson had been making use of some of them and some of the material down there for his own purpose. What was the common talk, and what have you heard, and who said it?

Mr. ALEXANDER. The common talk comes about like this: When the paper the other evening appears with this in it——

Mr. McCoy. I am not asking you about the papers.

Mr. ALEXANDER. That is what I mean by the common talk. It is the spreading of the news in the papers, and the men give me the paper to see.

Mr. McCoy. And you say positively you have never spoken to anybody about what was in the newspapers?

Mr. ALEXANDER. No other than to say, "Did you look at the
-----" "Somebody asked me that; but I have had no conversation.

Mr. McCoy. And when one of you would say that to the other you would stop, and not say another word?

Mr. ALEXANDER. I do not believe I talked a word of conversation with anybody.

The CHAIRMAN. Did you have a subpoena served on you to-day?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Did Mr. Weed say you could come up here before the committee?

Mr. ALEXANDER. Just as soon as I got the subpoena I went to my foreman——

The CHAIRMAN. Who is your foreman?

Mr. ALEXANDER. Mr. Harper—and showed him this, and had him put a man on the wagon, and come up.

The CHAIRMAN. What did he say to you about it when you showed him the subpoena?

Mr. ALEXANDER. He did not say anything. He said I would have to go, and I said I knew I would have to go.

The CHAIRMAN. Go ahead, now, Alexander, and tell this committee just what you do know about this matter we have been questioning you about.

Mr. ALEXANDER. I do not know whether Mr. Thomson—he has not called upon me to take any things of those kind to his house.

The CHAIRMAN. Did you ever do any outside work for Mr. Thomson?

Mr. ALEXANDER. If I understand by that——

The CHAIRMAN. Work outside the Post Office Department during office hours, working hours?

Mr. AUSTIN. At home, private work, not Government work?

Mr. ALEXANDER. I do not think I have.

Mr. McCoy. Where does he live?

Mr. ALEXANDER. I do not know, now.

Mr. McCoy. Have you ever been to his house?

Mr. ALEXANDER. At that time he lived—I mean the time I have went to his house, was up on that side of Fourteenth Street.

Mr. McCoy. What year was that?

Mr. ALEXANDER. I suppose it was a year ago or so.

Mr. McCoy. Was it not a year ago this coming summer?

Mr. ALEXANDER. I should think it was, along, say, to the best of my recollection, a year ago from about this time of the year.

Mr. McCoy. What was his position in the Post Office Department at that time?

Mr. ALEXANDER. He was the Superintendent of the Supply Division.

Mr. McCoy. He was at that time?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Are you sure of that?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Do you know whether Mr. Thomson left the city about that time?

Mr. ALEXANDER. I am unable to tell you what time he left.

Mr. McCoy. Do you know he did leave the city—Washington, D. C.?

Mr. ALEXANDER. I know he left the city; yes, sir.

Mr. McCoy. In the summer of 1910?

Mr. ALEXANDER. Just the time, I would not be able to say.

Mr. McCoy. About the time when you had been up to his house?

Mr. ALEXANDER. No; I do not know if the time was relatively close.

Mr. McCoy. How close was it?

Mr. ALEXANDER. He left the city when I was on leave.

Mr. McCoy. When were you on leave?

Mr. ALEXANDER. In the month of November I generally take my leave. He left the city, and a new supply superintendent came while I was on my leave.

Mr. McCoy. In November, 1910?

Mr. ALEXANDER. Yes; because I remember when I came back to work I had a new superintendent.

Representative ALEXANDER. I believe Mr. Thomson says he left about the 1st of November, 1910.

Mr. ALEXANDER. That would be it, my leave; I mean the season.

Mr. McCoy. Did you take a leave of 30 days in November?

Mr. ALEXANDER. I never get that much at once; I only get it in broken parts.

Mr. McCoy. Did you take all your 30 days last year?

Mr. ALEXANDER. I did not get all my leave last year. They could not spare me. I got it part in the spring, and I think, to be frank, I got about 20 or some odd days, running up into November. I was short in my leave last year.

Mr. McCoy. Do you remember the year 1910?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. You do remember the year, do you?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. When does your leave of absence begin to count from, the 1st of January in each year?

Mr. ALEXANDER. I think so.

(Informal discussion followed.)

Mr. McCoy. Beginning on the 1st of July, 1910, the beginning of the fiscal year; tell the committee how many times, and when, you were away on leave of absence.

Mr. ALEXANDER. I would be unable to tell you that; I have not the recollection.

Mr. McCoy. Have you any way you can find out?

Mr. ALEXANDER. By applying to the time clerk I could get it. I could not recollect. I know I had time at times, enough to be nearly a month.

Mr. McCoy. When was the last day, from July 10 up to now, that you took any leave?

Mr. ALEXANDER. I could not tell you that.

Mr. McCoy. Have you been off on leave within a week?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within a month?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within two months?

Mr. ALEXANDER. No, sir.

Mr. McCoy. Within four months?

Mr. ALEXANDER. I do not take very much leave.

Mr. McCoy. Just confine yourself to my questions and answer them. Have you been off on leave of absence within the last four
hs?

Mr. ALEXANDER. If I have, I do not think it has been over two days.

Mr. McCoy. Answer the question. Have you been off? Have you any memory at all of facts?

Mr. ALEXANDER. I try to have.

Mr. McCoy. Now, you try to recollect whether you have been off in the last four months on leave of absence. I want you to tell me.

Mr. ALEXANDER. I do not think I have been off a whole day.

Mr. McCoy. During the day?

Mr. ALEXANDER. What I mean, a day's work. You see, if you are off a part of a day—I have been off a part of a day, but I do not think I have been off a whole day in two or three months.

Mr. McCoy. When you are off a part of a day on a leave of absence, are you charged with a whole day or a part of a day?

Mr. ALEXANDER. You are charged with so many hours.

Mr. McCoy. You can take leave of absence for three hours of a day, can you?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. Have you been off any part of any day in the last four months?

Mr. ALEXANDER. Yes, sir.

Mr. McCoy. When?

Mr. ALEXANDER. I have been off—I could not tell you just when.

Mr. McCoy. At any time in the last four months?

Mr. ALEXANDER. Yes; I have been off; but I could not tell you just when.

Mr. McCoy. Was it within a month of now? Were you off in the month of May?

Mr. ALEXANDER. I do not think I was.

Mr. McCoy. Were you off in the month of April?

Mr. ALEXANDER. I do not believe I was.

Mr. McCoy. Were you off in the month of March?

Mr. ALEXANDER. I think I was. I know I have been off a whole day once or twice, and I think it was in March.

Mr. McCoy. You think you had two days' leave in March?

Mr. ALEXANDER. I could not tell you that. I have not kept the time in my mind.

Mr. McCoy. Take the month of February; were you off in February?

Mr. ALEXANDER. If you permit me to get my time, I can tell you, I am positive; I can not recollect so closely as that to the days and the times.

Representative ALEXANDER. Were you ever at Mr. Thomson's house while he was Superintendent of the Division of Supplies?

Mr. ALEXANDER. Yes, sir.

Representative ALEXANDER. How often?

Mr. ALEXANDER. Not very often.

Representative ALEXANDER. How often?

Mr. ALEXANDER. Half a dozen times, I suppose.

Representative ALEXANDER. Now, tell the committee what you were there for?

Mr. ALEXANDER. I have gone past his house on my way home in the evening, probably to take a package—something like that, a small package.

Mr. McCoy. Where do you live?

Mr. ALEXANDER. In the northwest part of the city.

Representative ALEXANDER. Were you ever there during business hours?

Mr. ALEXANDER. I might have gone past there in business hours. I was not there to do any work in business hours.

Representative ALEXANDER. Can you not remember if you ever were?

Mr. ALEXANDER. No; I have so many things to do regularly every day.

Representative ALEXANDER. Is it so usual for you to be sent out on messages or work for officials down there in the department that you can not recollect a circumstance like that?

Mr. ALEXANDER. No; it is not usual; but I have such a heavy routine of work to do that I must concentrate my mind upon that.

Representative ALEXANDER. You did not go to Thomson's so often you can not remember when you went?

Mr. ALEXANDER. I went so little there is not anything in it especial for me to remember—just to carry a little basket up there, or something like that.

Representative ALEXANDER. Did you ever take anything to his house?

Mr. ALEXANDER. Nothing material.

Representative ALEXANDER. Did you ever take any boxes out there?

Mr. ALEXANDER. Not to my recollection.

Representative ALEXANDER. Did you ever haul anything out there at all from the department?

Mr. ALEXANDER. Not that I remember.

Mr. McCoy. What was in the baskets you took out?

Mr. ALEXANDER. It might have been a little marketing. He says, "Alec, take this up to my house on your way home; would you mind?"

Mr. McCoy. Where did you live at that time?

Mr. ALEXANDER. In Twenty-second Street.

Mr. McCoy. What number?

Mr. ALEXANDER. It was 940, I believe.

Mr. McCoy. Between what streets is that?

Mr. ALEXANDER. L and M.

Mr. McCoy. And where did he live?

Mr. ALEXANDER. He lived away out, I think you call it Mount Pleasant; away up in that part of the northwest.

Mr. McCoy. Is that out beyond Twenty-second Street?

Mr. ALEXANDER. It is north of it, away up on the hill there. I think the name of the street is Monroe Street.

Mr. McCoy. Is that east or west of Twenty-second?

Mr. ALEXANDER. That would be north of that.

Mr. McCoy. Do not the numbered streets here run north and south?

Mr. ALEXANDER. Yes, sir; and that street would run east and west.

Mr. McCoy. So that would make it north of Twenty-second Street?

Mr. ALEXANDER. In the northern section of the city.

Mr. McCoy. Do you live in the same place now that you did then?

Mr. ALEXANDER. No, sir.

Mr. McCoy. What time did you leave your business to go home in the summer of 1910?

Mr. ALEXANDER. In the daytime, do you mean?

Mr. McCoy. Do you work nights?

Mr. ALEXANDER. I did not understand you, please.

Mr. McCoy. What time did you leave your business in the summer of 1910?

Mr. ALEXANDER. I never got through until 5 or half past 5.

Mr. McCoy. In the summer of 1910 you got through at 5 or half past 5?

Mr. ALEXANDER. Regularly; yes, sir.

Mr. McCoy. Did you walk home?

Mr. ALEXANDER. As soon as I put my horses away; yes, sir.

Mr. McCoy. Do you stable your horses near your home?

Mr. ALEXANDER. Not so very far from my home; quite near, I think.

Mr. McCoy. You take your horses to your stable and then walk home?

Mr. ALEXANDER. Put my horses away, and everything—horses and wagon and harness.

Mr. McCoy. How far was Mr. Thomson's house from where you stabled your horses?

Mr. ALEXANDER. Quite a good way.

Mr. McCoy. A mile?

Mr. ALEXANDER. I guess some people would call it a mile.

Mr. McCoy. Was Mr. Thomson's house a mile from the place where you stabled your horses in 1910?

Mr. ALEXANDER. We stabled the horses—of course, the office horses are stabled between L and M and Sixteenth and Seventeenth Streets; that is where the stable is; and then he lived at that time on Monroe Street, I think, somewhere between Sixteenth and Seventeenth Streets.

Mr. McCoy. Did you ever walk from the stable to his house?

Mr. ALEXANDER. Never.

Mr. McCoy. You always drove there?

Mr. ALEXANDER. Yes, sir; if I went there.

Mr. McCoy. How long did it take you to drive there from the post office?

Mr. ALEXANDER. I do not know. If I would be through and on my way home, I would not be long.

Mr. McCoy. How long does it take to drive from the post office to Mr. Thomson's house?

Mr. ALEXANDER. I think at a good ordinary gait you could go there in half an hour, if not less.

Mr. McCoy. How long does it take to drive from the Post Office Department to the stable where the horses are stabled?

Mr. ALEXANDER. I come out of the stable about 8 o'clock in the morning, and if I walk—anyway, I am due at the office at half past 8, and I always make myself allowances. Sometimes I trot, and sometimes walk. But I get there easily in 15 minutes.

Mr. McCoy. Then his house is 15 minutes farther away from the post office than the stable is?

Mr. ALEXANDER. Yes.

Mr. McCoy. How far is your house away from the stable?

Mr. ALEXANDER. I can walk from my house to the stable, if I am in a hurry, in about six or seven minutes.

The CHAIRMAN. Mr. Alexander, are you under any special obligations to Mr. Thomson?

Mr. ALEXANDER. Nothing that would make me do anything but what was right.

The CHAIRMAN. That is not the question.

Mr. ALEXANDER. No, sir; I am under no special obligations to Mr. Thomson.

The CHAIRMAN. He has never rendered you any special service that would place you under any obligations?

Mr. ALEXANDER. No service he has ever rendered me that would place me under any obligation that was wrong. He has rendered me service that I am very grateful and thankful for.

Mr. McCoy. What was that?

Mr. ALEXANDER. In the time of sickness and death he helped me.

Mr. SLEMP. Do you mean some member of your family?

Mr. ALEXANDER. I do. My daughter laid sick for nearly a year, and he helped me very greatly, especially by being kind to me, and any little favor. That is the only way I ever got to his house, was by being there to take any little thing he offered. If I knew he had a basket I would gladly take it. That is the way I went to his house.

Mr. TOWNER. Now you understand, as well as this committee—because I think you are an intelligent man—that you are justified in doing anything for him that you choose, so long as you do not use Government time or Government property. What do you say to this committee as to whether or not, at any time, you have ever done either one of those things at his request, or voluntarily on your part?

Mr. ALEXANDER. I have not at any time.

Mr. TOWNER. And you say that without reservation?

Mr. ALEXANDER. I can.

Mr. TOWNER. And you say that recognizing the fact that you are under oath?

Mr. ALEXANDER. I say that when I went to his house the time was at my liberty, and I was glad to take something by for him. I have never hauled any Government property for him, pro or con, or any way, knowingly.

Mr. TOWNER. You have answered the question.

(Thereupon, at 4 o'clock p. m., the committee adjourned until Monday, June 19, 1911, at 10 o'clock a. m.)

THE COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
Monday, June 19, 1911.

The committee this day met, Hon. William A. Ashbrook (chairman) presiding.

There were also present Messrs. Alexander, McCoy, Austin, and Slemp, members of the committee.

The CHAIRMAN. Before continuing the examination of Mr. Naulty, I desire to inform the committee that I have received from Mr. Nesbit, who was before the committee one day last week, a communication inclosing a carbon copy of a letter addressed to the Postmaster

General, dated March 18, 1911. I desire to read this letter into the record.

MARCH 18, 1911.

POSTMASTER GENERAL, *Washington, D. C.*

DEAR SIR: Will you please inform us the names and addresses of concerns authorized by your department to manufacture and install United States mail-chute equipment in buildings?

Thanking you in advance for the courtesy of a prompt reply, we are,

Yours, very truly,

F. T. NESBIT & COMPANY (Inc.).
F. T. NESBIT, *President.*

I will read the reply of the First Assistant Postmaster General:

WASHINGTON, *March 22, 1911.*

F. T. NESBIT CO. (INC.).

116 Nassau Street, New York, N. Y.

GENTLEMEN: In answer to your letter of the 18th instant, which the Postmaster General has referred to me, you are informed that the Cutler Mail Chute Co., of Rochester, N. Y., and the United States Mail Chute Equipment Co., of St. Louis, Mo., manufacture mailing chutes for erection in buildings, as provided for by the postal laws and regulations.

The self-addressed stamped envelope which you transmitted is returned herewith.

Respectfully,

C. P. GRANDFIELD,
First Assistant Postmaster General.

Mr. Naulty, you may, if you will, continue your narrative to this committee where you left off Saturday morning.

STATEMENT OF MR. E. F. NAULTY—Continued.

Mr. NAULTY. I thank you, Mr. Chairman.

Mr. Chairman and gentlemen of the committee, I would like to read a letter. This photograph [exhibiting] is a picture of the mail chute referred to in this letter, which was written to the Queens County Trust Co. The photograph shows the chute in operation and the postal-collection notice attached to its front. The letter is from the offices of Wyckoff, Statesir & Frost, 215 Montague Street, Brooklyn, and is dated April 24, 1907, almost two months succeeding the official promulgation of the order of approval by Postmaster General Cortelyou and two years after the authorization order issued by Postmaster General Cortelyou. It is addressed to the Fairfax System, 150 Fifth Avenue, New York. The letter reads as follows:

LAW OFFICES OF WYCKOFF, STATESIR & FROST,
Brooklyn, N. Y., April 24, 1907.

FAIRFAX SYSTEM,

150 Fifth Avenue, Manhattan, N. Y. City.

GENTLEMEN: Your letter of April 23 to the Queens County Trust Co. has been referred to me as counsel for the Trust Co. The Trust Co. is ready at any moment to pay you your bill when the terms of your contract between yourselves and the Trust Co. are completed and fully complied with. One of the conditions is that the mail chute shall be approved and accepted by the United States Government. Such approval and acceptance has not yet been furnished, although the Trust Co. has used every effort to get such approval from the authorities. The vice president tells me that the inspector has not yet passed upon this particular chute.

We have made every effort ourselves to get the postmaster of Jamaica to have such inspection made, but as yet he has been unable to do so, and he has informed us officially that the department has not accepted nor approved of this chute. He has also shown us a letter from the First Assistant Postmaster General to the same effect.

If you can suggest any way in which the matter can be hurried up, or can suggest anything which we could do to help you, the Trust Co. will gladly do it, but unless this acceptance and approval is obtained the chute is of no value to us and your contract is not completed and you are not entitled to your money. We are as anxious as you are to have this thing wound up and out of the way. We expect, however, to get the article which we purchased, and nothing else, and while we are ready to do anything at all that you can suggest to us for getting this matter in shape, it is really your business and not ours.

The postmaster at Jamaica, at our request, has, within a day or two, forwarded a special request to the First Assistant Postmaster General to have this inspection made.

Any further communication can be sent to me. If you desire to sue, simply send me the papers and I will appear for the Trust Co.

Yours, truly,

W. F. WYCKOFF.

Mr. AUSTIN. What is the date of that letter?

Mr. NAULTY. April 24, 1907. The official order of approval was issued on March 2, 1907, the preceding month—almost two months before that.

Mr. SLEMP. Had you offered your bond at that time?

Mr. NAULTY. This particular chute was authorized by Postmaster General Cortelyou, in connection with others, without any bond. There was no question of a bond on this chute, nor at 150 Fifth Avenue, nor at the Westmoreland apartment house.

Mr. SLEMP. Do you mean that the Government did not require a bond?

Mr. NAULTY. They did not require a bond of me. The question of a bond was under discussion. No bond had been given—that was sufficient.

Mr. SLEMP. You mean that the other companies had prepared and furnished buildings with these chutes and had not filed any bonds?

Mr. NAULTY. They had not filed any bonds. The original call was for separate bonds, and it seems the department had decided that that would be cumbersome, and they decided on a blanket bond, and the particular form of bond had been under discussion for a long time. At the time that the authorization and approval of this chute were made by Postmaster General Cortelyou the question of the bond had not been settled at all, so that these chutes were simply eliminated——

Mr. MCCOY. From the bond requirements?

Mr. NAULTY. From the bond requirements. This was the fourth chute we built.

Mr. AUSTIN. Will you not file the letter of ex-Postmaster General Cortelyou covering this?

Mr. NAULTY. There was no letter to that effect, further than the letter containing the authorization. There was an understanding, however, with the Post Office Department, and an understanding with Mr. Thorp, and everybody else connected with it that was affected.

Mr. AUSTIN. Was that written or verbal?

Mr. NAULTY. It was a verbal understanding in a series of interviews with Postmaster General Cortelyou and, under his directions, with Mr. Thorp, and so on.

Mr. SLEMP. That would not have had any connection with the bond provision, there?

Mr. NAULTY. I do not know about the question of legal right, but they did it. There was no formal bond at the time.

Mr. MCCOY. Was there any provision of law that they should bond?

Mr. NAULTY. No, sir.

Mr. McCoy. Is not that merely a matter of regulation in the Post Office Department?

Mr. NAULTY. It is wholly a matter of regulation. There is no law on it. In fact, the law is the other way, or was at that time.

The CHAIRMAN. What do you mean by saying that the law is the other way?

Mr. NAULTY. Thank you very much, Mr. Chairman, for asking me that. I do not mean to testify positively that it is provided that no bond shall be given, but there is no law requiring it. There is no statutory requirement.

Mr. McCoy. Is there to-day?

Mr. NAULTY. No, sir; it is solely a rule of the Post Office Department.

Mr. SLEMP. That rule was established about 1905?

Mr. NAULTY. Yes.

Mr. SLEMP. About two years before the time you mention in this letter?

Mr. NAULTY. Yes.

Mr. SLEMP. Your idea seems to be that the Post Office Department was about to make a change from requiring the postmaster to give a bond to a general blanket bond prepared by the department?

Mr. NAULTY. Yes.

Mr. SLEMP. And for that reason they were eliminating this particular chute from the bond requirement?

Mr. NAULTY. At the time the contract was taken. May I explain that contracts are taken sometimes a year and a half before they are executed. I would like to make the situation a little clearer, because it is rather a complicated thing.

Mr. SLEMP. The point I am trying to get at is this, if you had done all that you could have been expected to do in order to get the approval of the department?

Mr. NAULTY. Yes; the approval was issued.

Mr. SLEMP. Then why did they not receive the chute?

Mr. NAULTY. They had. The chute was actually in operation at that time. The chute was working, as shown in that photograph. Collections were being made from it daily; and yet the department writes that this chute has not been authorized yet, although collections were being made from it.

Mr. SLEMP. That was under the authority of the city postmaster?

Mr. NAULTY. No, sir; under the authority of the department, because the city postmaster at Jamaica referred everything to the department at Washington.

Mr. McCoy. You were finally paid for this by the trust company, were you not?

Mr. NAULTY. Yes, sir; some time after.

Mr. McCoy. So that it was finally closed and the chute is in operation to-day?

Mr. NAULTY. Yes.

Mr. ALEXANDER. Has their right to use it ever been challenged by the Cutler Co.?

Mr. NAULTY. No, sir.

Mr. ALEXANDER. Has suit ever been threatened on the patent?

Mr. NAULTY. I do not know about suit being threatened in this particular instance, but no suit was ever actually brought.

Mr. SLEMP. How long was it after the date of this letter, April 24, 1907, before you received pay for the chute?

Mr. NAULTY. Within a month or so, I believe. It was subsequent to this letter, of course, as that shows, because the claim was not paid at that time; but what time thereafter I do not recollect.

Mr. SLEMP. It was paid, then, about 60 days after the chute had been approved by the department?

Mr. NAULTY. That chute had been approved when the contract was originally taken. May I make that clear, as to the approval? The official order of approval of all my chutes was issued on March 2, 1907.

Mr. McCoy. Then explain to the committee just why there was any delay about your getting your money for this. Just give us that, and that will help us.

Mr. NAULTY. The Jamaica Trust Co. were erecting a building. We went to the architect's office and examined their plans and tendered an estimate for the price of the mail chute, to be erected in that building.

Mr. McCoy. When was that?

Mr. NAULTY. Over a year before this time.

Mr. McCoy. Before which time?

Mr. NAULTY. Before April, 1907. It was sometime in 1906. The exact time I have forgotten. I must have that contract somewhere. Then they went on and built the building. Our bid was accepted. We filled out a contract with the Jamaica Trust Co., as required by the post-office regulations, setting forth the price and everything in connection with the chute, including its specification, and a blue print showing its location, said contract being printed on the face of the rules and regulations, as required by the Post Office Department, their requirement being that every contract entered shall bear on its back the post-office rules and regulations. These were all sent to Washington and approved by the postmaster at Jamaica.

Mr. McCoy. They were sent to Washington and approved by the postmaster.

Mr. NAULTY. Yes, sir.

Mr. McCoy. Do you not mean that they were approved by the postmaster and sent to Washington?

Mr. NAULTY. May I rephrase that, and make that clear?

Mr. McCoy. Yes.

Mr. NAULTY. The location of the chute was approved by the postmaster. He then forwarded the papers to Washington for action, and the department at Washington notified us that we could go ahead and build that chute. I think Mr. Thorp himself said so. I may have a letter in relation to that. I have not got it with me. I am not quite clear as to what that was; but, at any rate, the chute was put up with that understanding. It was presumably to be one of the trial chutes referred to in the original order of authorization, and we went ahead and finished the chute and the chute was put into commission, and it was in operation and collections were made from it daily.

Mr. McCoy. Can a chute be put into operation and will collections be made from it unless the postmaster in the postal district where the

chute is erected has instructions from Washington that it may be used?

Mr. NAULTY. Not at that time, it could not.

Mr. McCoy. Yes; so that the fact that it was used is an indication that there was post-office authority from Washington to the Jamaica postmaster to go ahead and allow the thing to be used?

Mr. NAULTY. Yes; the Jamaica postmaster——

Mr. McCoy. I did not want to interrupt you. I just wanted to clear that up. That chute is still in use to-day?

Mr. NAULTY. Yes.

Mr. McCoy. Now, we have gotten to the point where the postmaster at Jamaica recommended the location in the Trust Co. Building. The papers were sent to Washington and you got your authority verbal or written, to go ahead, and you did go ahead. Proceed from that point.

Mr. NAULTY. The contract was approved by the postmaster right on the contract itself. It had to be. The use of the term "approval of the postmaster," on account of the use of the two terms, is apt to be confusing. What the postmaster does is merely to approve the location and situation of the chute. No mail chute can be located farther than 50 feet from a main entrance of a building. It must be exteriorly exposed except where it runs through floors.

Mr. McCoy. Whatever approval was required of the local postmaster, it was received?

Mr. NAULTY. Yes.

Mr. McCoy. Then the contract came here to Washington. What happened to the contract when it got here? What was done with it, or in regard to it?

Mr. NAULTY. One copy was returned to us, one copy was sent to the Queens County Trust Co., and another copy was filed with the postmaster at Jamaica.

Mr. McCoy. When that was done, take up the history from then.

Mr. ALEXANDER. Was it approved?

Mr. NAULTY. Yes.

Mr. McCoy. How long after that was it before the installation was made?

Mr. NAULTY. Some months; just how many, I do not recall.

Mr. McCoy. At any rate, the installation was subsequently made?

Mr. NAULTY. Yes.

Mr. McCoy. And the box was satisfactory to the Queens County Trust Co.?

Mr. NAULTY. Yes.

Mr. McCoy. So far as they were concerned?

Mr. NAULTY. Yes.

Mr. McCoy. And did the Jamaica postmaster then have to examine it again and give any approval of it?

Mr. NAULTY. No, sir.

Mr. McCoy. Then, having satisfied the architect of the Queens County Trust Co. and the Trust Co., why was not the box immediately accepted in the form in which it had to be accepted, so that you could get your money? Now, develop that.

Mr. SLEMP. That is a question I was about to ask him.

Mr. NAULTY. I do not know why.

Mr. SLEMP. How long was it?

Mr. NAULTY. Before we got our money?

Mr. SLEMP. Yes.

Mr. NAULTY. After this letter it was some time. It may have been a month or six weeks. I do not know the exact time. It was subsequent to this letter.

Mr. McCoy. How long before that letter of April 24, 1907, was written was it that the box was actually constructed—the chute—and the chute in operation?

Mr. NAULTY. It was some months. How many, I do not know. It was probably at least two months or three months.

Mr. SLEMP. Was any portion of that time given up to a trial of the box and the chute as a necessary precaution on the part of the Government?

Mr. NAULTY. No; I should say not, because——

Mr. SLEMP. Just a moment. I understood you to say that this was the first?

Mr. NAULTY. One of the first.

Mr. SLEMP. That it was one of the first mail chutes that you had erected?

Mr. NAULTY. It was of precisely the same construction as the chute erected here in Washington and as another one erected on Fifth Avenue.

Mr. SLEMP. By your company?

Mr. NAULTY. Yes; by us.

Mr. McCoy. Previously?

Mr. NAULTY. Yes; which had been in operation.

Mr. McCoy. Now, develop the situation by statements of fact——

Mr. ALEXANDER. In connection with this transaction.

Mr. McCoy (continuing). To show why the thing was not paid for, or what action on the part of the Post Office Department, if any, prevented you from getting your money.

Mr. NAULTY. We were prevented from getting our money, as set forth in this letter. We were prevented from completing the contract.

Mr. McCoy. That seems to be a fact. You did not get your money?

Mr. NAULTY. Yes; but later.

Mr. McCoy. What act by the Post Office Department in Washington, or what failure to act on their part down there in Washington, resulted in that situation outlined in that letter from the attorney of the trust company, so that you could not get your money?

Mr. NAULTY. The department in Washington wrote to the attorney for the trust company that the department had not accepted nor approved our chute, and this information was given the attorney of the trust company by the postmaster at Jamaica officially, and the postmaster at Jamaica showed the Queens County Trust Co. and its attorney a letter from the First Assistant Postmaster General to this effect, which was what stopped us from getting our money, because the Queens County Trust Co. then assumed that we had neither authorization nor approval nor any right to build our chute.

Mr. SLEMP. You were out of your money, I take it, as a maximum, including the time given for a test on part of the Government, about *three months*?

Mr. NAULTY. No; it was longer than that. You know, under the rules and regulations the chutes are required to be paid for before they are put into operation, and always have been paid for that way. Before the Post Office Department puts a lock on a chute that chute must be wholly paid for, and it has been so before, in every case, to the Cutler people.

Mr. McCoy. Go ahead.

Mr. ALEXANDER. Is there anything else you want to call to the attention of the Committee?

Mr. NAULTY. Yes, sir. The very question of authorization and its nonpublicity hampered us in every direction. The Cutler people realized that, and they issued an advertising pamphlet, distributed generally to the trade, which is headed, "As to authorization." With the permission of the committee, although I desire to file this pamphlet, I would like to read a part of it. There are one or two points that I want to bring out in it. This is dated September 23, 1905.

Mr. McCoy. That was about four months after your device had been approved of?

Mr. ALEXANDER. No.

Mr. NAULTY. That was August 8. It was the next month after it had been authorized, and two or three days after—may I make this clear?

Mr. McCoy. Excuse me just a minute. What is the date of that circular or pamphlet?

Mr. NAULTY. September 23, 1905.

Mr. McCoy. 1905? Was not your box approved of in the Post Office Department in March, 1907?

Mr. NAULTY. March, 1907. That was the approval. This is the authorization. The two are different. First there was the authority to build the chute, and second the approval of the chute after it was built.

Mr. McCoy. Yes.

Mr. NAULTY. And this refers to the authorization. They denied at that time that we had any authorization, although it had been issued in August, 1905.

Mr. SLEMP. You mean they denied it at what time?

Mr. NAULTY. In this circular.

Mr. SLEMP. Who denied it?

Mr. NAULTY. The Cutler Manufacturing Co.

Mr. SLEMP. Oh, the Cutler Manufacturing Co. denied that you gentlemen had any authorization?

Mr. NAULTY. Yes. I want to read you this:

In 1893, the question having been raised by tenants in buildings equipped with our mailing system, the Attorney General for the Post Office Department, gave his opinion that the Postmaster General had no authority to authorize the use of mail chutes, his authority being limited to the location of "receiving boxes"—

That is, boxes on the first floor—

but at the same time, in view of the large number of buildings in which the apparatus was in use, under authority which had been assumed in good faith, it was suggested that it might be desirable to have this authority granted by Congress in an amendment to the statutes. Upon this, Congress passed an act amending the proviso in chapter 388, act of March 3, 1887, as follows:

"Provided, That no boxes for the collection of mail matter shall be placed inside of any building except a public building, or a building which is freely open to

the public during business hours, or a railroad station, and that the Postmaster General is hereby authorized, in his discretion, to declare by official order that the chutes connected with mail boxes that are attached to any chute or device which may be approved by him are a part of said receiving boxes and under the exclusive care and custody of the Post Office Department." (Now in sec. 720, P. L. & R.)

Shortly after this act was approved by the President, the Postmaster General issued a formal order referring to our apparatus and confirming the approval and authorization already given, as follows:

"WASHINGTON, D. C., February 15, 1893.

"*Ordered:* That, this department having heretofore authorized the use of the Cutler patent mailing system, consisting of a specially constructed chute extending from the upper stories of public buildings and hotels to, and constructed with, special receiving boxes for matter for the mail, located in the ground-floor corridors of such buildings; for the better protection of the public using the same, and in accordance with the act of Congress approved January 23, 1893, it is declared that in all such mailing apparatus heretofore established under the regulations of this department, or which may be hereafter so established, the chutes are a part of said receiving boxes and under the exclusive care and custody of the Post Office Department.

"SIGNED BY THE POSTMASTER GENERAL."

This is dated September 23, 1905. The official order—the new Post Office Rules and Regulations—which rescinded the previous orders of the Postmaster General and stripped the entire thing to its enabling section—this section 720—had been issued on the 8th day of August, preceding this. Yet the Cutler people sent out publicly an authorization which was not of any use, which had no bearing at the time, because all previous regulations had been rescinded by direct order of the Postmaster General, and this authorization of 1893 was not then in effect. The circular continues:

In the opinion of the best legal authority, the effect of this order is to make the mail chutes in the Cutler mailing system a part of the receiving boxes—

And they were not then so authorized, because on September 23, 1905, the Cutler Manufacturing Co. had no authorization.

Mr. ALEXANDER. Nor anybody else, because there had been no statute saying that they should be considered as a part of the mailing boxes and under the control of the Government until that section 720 was enacted.

Mr. NAULTY. That is true, but section 720 was in 1893. This is 1905.

Mr. ALEXANDER. Yes.

Mr. NAULTY. But the entire mass of rules and authorizations had been rescinded by this order No. 148, issued by Postmaster General Cortelyou.

Mr. ALEXANDER. When?

Mr. NAULTY. On August 8, 1905.

Mr. ALEXANDER. Yes.

Mr. NAULTY. And while these people were getting out this circular they themselves had absolutely no authorization.

Mr. AUSTIN. They were simply deceiving the public; is that it?

Mr. NAULTY. Yes [reading]:

In the opinion of the best legal authority, the effect of this order is to make the mail chutes in the Cutler mailing system, a part of the receiving boxes and so available for service of any papers which may be legally served by depositing them in a United States mail box.

It will be seen from the above that Congress having provided for formal action by the Postmaster General in the case of "mailing apparatus approved by him," a mail chute, to be "authorized," must be declared by a formal order of the

Postmaster General to be a part of the receiving box—and the mailing apparatus of which it is a part must have been approved by him.

Then, in bold-faced type across the page, they say:

NO OTHER MAIL CHUTE HAS BEEN SO AUTHORIZED.

Then, they continue:

Owners should consider carefully the responsibility which they may incur in inviting the use by their tenants of mailing apparatus not formally authorized under the provisions of law, as there is, of course, no reason why the Postmaster General should not approve of and authorize other mailing apparatus for buildings, if such apparatus submitted to the department can be made to work satisfactorily, and the department is protected against claims for the infringement of our patents.

Mr. AUSTIN. What have we got to do with that?

Mr. NAULTY. The thing is to show merely——

Mr. ALEXANDER. The animus of these people.

Mr. AUSTIN. I do not understand that this was issued by the Post Office Department.

Mr. NAULTY. No; it was not.

Mr. McCoy. Here is what it shows, to my mind, that the suppression of the order of approval by the Post Office Department here was giving the Cutler Co. an opportunity to send out these various advertisements.

The CHAIRMAN. How long before the date mentioned in the circular of the 23d of September, 1905, had you applied for an authorization?

Mr. NAULTY. In May, 1905.

The CHAIRMAN. Had you applied, or had you been authorized?

Mr. NAULTY. I had applied, and had been notified before September 23, 1905—we had been notified—that our authorization was to be issued.

The CHAIRMAN. But had you been notified at the time this circular was issued?

Mr. NAULTY. Yes.

Mr. McCoy. You had been notified that your apparatus had been approved of?

Mr. NAULTY. Had been authorized. No apparatus had been approved of.

Mr. McCoy. That your device had been accepted by the department as being satisfactory to them?

Mr. NAULTY. Yes.

Mr. McCoy. And it was at this time, September 23, that you were being held up by their failure to officially announce to the public that your device was acceptable to the Post Office?

Mr. NAULTY. No, sir.

Mr. McCoy. That is what I thought.

Mr. NAULTY. That approval did not occur until 1907, two years subsequent to this time.

Mr. ALEXANDER. Define the difference between an authorization and approval.

Mr. NAULTY. Authorization consists of an order issued by the Postmaster General permitting any mail-chute manufacturer to install mail chutes in a public building under the postal rules and regu-

lations governing the installation of mail chutes. That is authorization.

Mr. ALEXANDER. The point is that the Government may have the opportunity to inspect and ascertain whether it will meet the requirements of the service?

Mr. NAULTY. Yes.

Mr. ALEXANDER. Now, what does approval mean?

Mr. NAULTY. Approval means, as it may possibly be explained by quoting a section from the original order of authorization——

Mr. McCoy. Are you quoting now?

Mr. NAULTY. Yes.

Mr. McCoy. What is the date of the letter, and from whom is it, and to whom?

Mr. NAULTY. The date is October 14, 1905. I read as follows:

As soon as it is ascertained that these chutes conform to the stipulations in Order No. 148, an official order of the Postmaster General declaring the chutes a part of the receiving boxes, as provided in section 720, will follow as a matter of course.

The approval followed automatically, as a matter of course.

Mr. McCoy. I am not clear on that situation on September 23, 1905.

Mr. ALEXANDER. What order was it mentioned in that letter?

Mr. NAULTY. Order No. 148.

Mr. ALEXANDER. Have you got it?

Mr. NAULTY. Yes, sir.

Mr. ALEXANDER. Read it into the record.

Mr. McCoy. Now, tell us the exact situation of your mail-chute proposition with the Post Office Department in Washington on September 23, 1905, and assume, if you please, that the committee does not know all the technical terms fully, so that we want to have the thing explained, not by technical terms, but by ordinary narrative terms. What was the situation on that day with reference to your chute?

Mr. NAULTY. In May, 1905, the Postmaster General of that time, who was Postmaster General Cortelyou—this will clear up the situation pretty well, I think, and bring it right to that time—was asked to issue to myself an order of authorization to build mail chutes.

Mr. McCoy. Assuming that he had complied with your request to issue an order of authorization, what would you then have been in shape to do in the matter?

Mr. NAULTY. If such order had been issued at that time, we would have been in shape to go ahead and build mail chutes and take as many contracts as we were able to take care of, and compete with the Cutler Co. and with the Automatic Mail Delivery Co.

Mr. McCoy. I am not getting at the question of competing with anybody. You say you would have been able to take as many orders as you pleased. You were in shape at that time to take as many orders as you could get, anyway?

Mr. NAULTY. Yes.

Mr. McCoy. Do you mean that you could not get orders from prospective builders without this authorization?

Mr. NAULTY. Yes, sir; we could not.

Mr. McCoy. Why?

Mr. NAULTY. Because without this authorization the Post Office Department would not put a Government lock on the mail chute and make collections from it.

Mr. McCoy. I have not reached the point yet where the thing is in the building and it needs to be locked; but what was your situation at that time, if you had gotten an authorization, with regard to a prospective builder of a building where a mail chute was desired?

Mr. NAULTY. Why, we could go to such a builder and assure him that our device was acceptable to the Post Office Department and enter into a contract with him to install in his building a mail chute—a United States mail chute.

Mr. McCoy. What shape would such an authorization take? Would it be a verbal communication, by word of mouth, or by writing?

Mr. NAULTY. By writing.

Mr. McCoy. And, in substance, what would it say? I do not care for the exact words, but give us the substance.

Mr. NAULTY. Such an order would give us the right to build mail chutes in public and other buildings.

Mr. McCoy. I know, but you had that right. You could put a chute into any man's building if he would let you. But now, I mean, what additional right did that confer upon you or what did it add to your status as a bidder?

Mr. NAULTY. It meant that the United States Post Office Department would make official collections from the mail chutes and receiving boxes erected by us in buildings.

Mr. McCoy. That is the exact point.

Mr. SLEMP. As I understand, a permission precedent to the approval, later on, by the department?

Mr. McCoy. Let me develop my point a little further.

Mr. SLEMP. Very well.

Mr. McCoy. If I want to build a building I can put a chute into it, and no Postmaster General in the world can stop me. I do not mean a mail chute, but I can fix one of these glass-front things into my building, if I want to. I may use it to throw waste paper down, or anything of that kind. In other words, the mere right to put what you call a chute into the building exists, without reference to the Post Office Department.

Mr. NAULTY. Yes.

Mr. McCoy. Now, I want to know what additional right an authorization confers with reference to such a thing, which is in a building.

Mr. NAULTY. It would make a mail chute a United States mail chute. It would insure that collections would be made from that mail chute at regular intervals, the same as they would be made from a street letter box.

Mr. McCoy. In other words, an approval of that device?

Mr. NAULTY. Yes.

Mr. McCoy. That is what I wanted to bring out. Now go ahead from that point. On September 23 you asked for an authorization, and you got it?

Mr. NAULTY. Yes.

Mr. McCoy. When did you get it?

Mr. NAULTY. It was officially issued to us on October 14, 1905.

Mr. McCoy. And that was after September 23, 1905.

Mr. NAULTY. But we had been notified that such an authorization would be issued to us, before that.

The CHAIRMAN. Then at the time that circular was issued, you had been notified, but as a matter of fact had not been authorized?

Mr. NAULTY. Yes; we had been notified.

The CHAIRMAN. You had not been notified that your device had been approved?

Mr. NAULTY. Yes.

The CHAIRMAN. I thought you said it was in October?

Mr. NAULTY. The official letter was not dated until that time.

The CHAIRMAN. How did you receive notice?

Mr. NAULTY. Verbal notice from Mr. Weaver, who was the private secretary of the Postmaster General, that our device had been shown to be satisfactory to the members of the commission, and that just as soon as he could get to it in the press of other business the official letter would be issued by Postmaster General Cortelyou.

The CHAIRMAN. To whom did Mr. Weaver impart this information?

Mr. NAULTY. To me.

The CHAIRMAN. By word of mouth?

Mr. NAULTY. Yes.

The CHAIRMAN. To you?

Mr. NAULTY. Yes.

The CHAIRMAN. That is what I wanted to bring out.

Mr. NAULTY. Yes.

Mr. SLEMP. The Cutler Co., however, could not have known of this private conversation between you and Mr. Weaver at the time they issued that circular?

Mr. NAULTY. They did know of it.

The CHAIRMAN. How did they know it?

Mr. NAULTY. I notified them.

Mr. McCoy. By letter?

Mr. NAULTY. Yes.

Mr. McCoy. Have you a copy of that letter?

Mr. NAULTY. I do not know.

Mr. McCoy. Was that before or after the issuance of this circular?

Mr. NAULTY. Before that. I notified the Cutler Manufacturing Co. by letter in July, 1905, that I was going to make mail chutes.

Mr. McCoy. Did you state to them that you had received word from the department that you were authorized?

Mr. NAULTY. Not at that time. We had no authorization.

Mr. McCoy. Did you state to them the communication from Mr. Weaver to yourself, or the substance of it?

Mr. NAULTY. Not at that time.

Mr. McCoy. When did you notify them?

Mr. NAULTY. That we had authorization?

Mr. McCoy. No; that you had heard that the authorization would be formally issued.

Mr. NAULTY. No such notice was served by me on the Cutler Co., except that they were sent a copy of this official order, No. 148, by me, just the same as it was sent out, and that was done after——

Mr. McCoy. Now read official order No. 148.

Mr. NAULTY. I can not find order No. 148. I thought that I had a copy of it here, but I can not find it now.

(The copy of order No. 148, afterwards furnished the committee by Mr. Naulty, will be found appended to this hearing.)

Mr. SLEMP. Then, the statement that you apparently criticized a few minutes ago, of the Cutler Co., in which they used the words that no other mail chute had been authorized, was a perfectly true statement on their part, was it not?

Mr. NAULTY. No, sir; because this very circular was issued a year afterwards.

Mr. SLEMP. I mean at the date of the issuance of this circular it was all right, was it not?

Mr. NAULTY. It was after an absolute publicity of the order, and everything else connected therewith, that they used these circulars.

Mr. SLEMP. Did they use them after October, 1905?

Mr. NAULTY. Yes; they used them right straight along.

The CHAIRMAN. But this circular had a date?

Mr. NAULTY. Yes.

Mr. SLEMP. At the time the circular was prepared and published the statement was true?

Mr. NAULTY. No, sir; it was not true.

Mr. SLEMP. Then I ask you if the statement that no other mail chute had been so authorized was, on the 23rd of September, 1905, true or not?

Mr. NAULTY. It was not.

Mr. SLEMP. What other mail chute was authorized at that time?

Mr. NAULTY. At that time, September 23, 1905, we were notified—I was notified. At that time there was no Fairfax United States Mail Chute System. It was not organized until December of that year. I was notified personally by Mr. Weaver that it had been decided that a letter of authorization would be issued, and this was in August, preceding this circular of September 23, 1905.

Mr. SLEMP. But you never notified these people of this until after the issuance of this circular?

Mr. NAULTY. There was no reason why I should notify them.

Mr. SLEMP. Then this statement in the circular is true?

Mr. NAULTY. No, sir; they had absolute knowledge of it.

Mr. SLEMP. How did they have that?

Mr. NAULTY. Because we were notified by the Postmaster General that the Cutler would be authorized and the Automatic Mail Delivery would be authorized.

Mr. SLEMP. You just assume that they had that knowledge?

Mr. NAULTY. I think it is more than an assumption; it is a matter of actual knowledge, just as it was with me.

Mr. SLEMP. What proof can you offer of that?

Mr. NAULTY. I think Mr. Weaver might be able to state, if he came before this committee.

Mr. McCoy. Mr. Weaver was a member of the commission appointed by the Postmaster General to inspect mail chutes?

Mr. NAULTY. No, sir.

Mr. McCoy. Who was Mr. Weaver?

Mr. NAULTY. He was Postmaster General Cortelyou's private secretary.

Mr. McCoy. And what had he to do in the matter?

Mr. NAULTY. He, acting in his capacity of secretary to the Postmaster General, many times, when I desired to see the Postmaster General, I would submit that which I desired to say to Mr. Weaver, and he would give me his reply, in order to save taking up his time.

Mr. McCoy. Now, you say that early in August, 1905, Mr. Weaver notified you that your device was approved, and that the official notice of approval would be issued later?

Mr. NAULTY. Yes.

Mr. McCoy. On whose approval was that statement made?

Mr. NAULTY. On the recommendation of the members of the post-office commission which had sat during that summer.

Mr. McCoy. There was a post-office commission, then, appointed to look into this question of mail chutes?

Mr. NAULTY. Yes.

Mr. McCoy. Do you know whether they kept any official minutes?

Mr. NAULTY. Yes.

Mr. McCoy. As a commission?

Mr. NAULTY. They did.

Mr. McCoy. Do you know whether or not the official minutes of that commission show that your device was approved?

Mr. NAULTY. Not from an examination of the minutes.

Mr. McCoy. Were you ever told that they contained any such reference to that device?

Mr. NAULTY. I have a letter from one of the members of the commission in which he says that he will urge upon his fellow members that my device be approved. I can submit that letter. I have it here.

Mr. McCoy. I know, but I am getting at the minutes of the commission.

Mr. NAULTY. No, sir; I know nothing of the minutes of the commission.

Mr. AUSTIN. You say he wrote you a letter saying that he would favor it?

Mr. NAULTY. Yes; Mr. Wyman.

Mr. AUSTIN. Did he ever inform you that the commission had approved it, after that?

Mr. NAULTY. It was not necessary, since the order does cover that; but he wrote me——

Mr. McCoy. Now, just a minute. Bear in mind that we are trying to develop the situation with reference to September 23, 1905, and do not get it confused with any other date, at all. What we want to get at is the situation on that day.

Mr. NAULTY. The commission had been appointed to look into this question of mail chutes, and I was asking you about the minutes of that commission. You do not know whether they had officially in their minutes stated that they had approved of your device, but you say that Mr. Weaver told you that your device had been approved of. Did he tell you that the commission had approved of it?

Mr. NAULTY. Yes.

Mr. McCoy. And was that prior to September 23, 1905?

Mr. NAULTY. Yes; it was in August.

Mr. McCoy. Did you notify the Cutler Co. that you had such information?

Mr. NAULTY. Not at that time; no, sir.

Mr. McCoy. Did you, prior to September 23, 1905, notify them?

Mr. NAULTY. No, sir.

Mr. McCoy. Consequently were they not perfectly right, so far as any knowledge that they can be assumed to have had is concerned—any official knowledge derived from the Post Office Department in regular ways—in stating in that circular that their device was the only one that had been approved, or at any rate that yours had not been approved?

Mr. SLEMP. Authorized?

Mr. McCoy. Authorized?

Mr. NAULTY. I should say that at this time——

The CHAIRMAN. Do not argue it. Answer the question. Do you know?

Mr. NAULTY. No, sir; I do not know.

Mr. McCoy. That circular is dated September 23, 1905. You got a letter of approval, officially, in October, 1905; is that true?

Mr. NAULTY. Yes, sir.

Mr. McCoy. Do you know whether or not the Cutler Co., after October, 1905, issued that circular to the public?

Mr. NAULTY. I do. In 1906 and 1907; and they were using this very circular.

The CHAIRMAN. Let me understand what you mean by “issuing.” Do you mean that they caused further copies to be printed or simply continued to circulate them?

Mr. NAULTY. I do not know as to whether they caused other copies to be printed; but they were put in circulation, because this circular I did not get until 1906.

Mr. McCoy. How did you get that?

Mr. NAULTY. From an architect in New York.

Mr. McCoy. What did he say as to when he received it?

Mr. NAULTY. He had just gotten it. It was on his desk.

The CHAIRMAN. But, even if that circular was being circulated after that date, it bore date prior to the time when the Cutler Co. had any legal knowledge, or any official information, that your device, or any others, had been approved; is not that a fact?

Mr. NAULTY. It does bear such a date, but not one man in ten thousand would look at this small date line. It was the general impression created by that circular.

Mr. McCoy. What I want to develop is the fact that Mr. Naulty was being held up, and that the Cutler Co. were at the same time making use of that fact to help them in their business. As Judge Alexander says, we are not trying the Cutler Co. We may have to do it. Now, we want your case developed; and if the Cutler Co. was using unfair advertising, and if it has any connection with the fact that you were not getting your orders as you should have gotten them, then that is relevant.

Mr. NAULTY. During the time that Postmaster General Cortelyou was Postmaster General there was absolutely no effort made except to help us, so far as the Postmaster General's office was concerned.

Mr. McCoy. Go ahead, now, from the point you were on Saturday. This has to do with the further development of what you put in before, on Saturday. Begin where you left off on Saturday and continue your statement from that point.

Mr. ALEXANDER. Perhaps you have nothing further to say. I thought you had put in your whole case, substantially, and if you can not add anything to that which will throw light upon it, do not confuse it by simply getting a lot of material in the record.

Mr. NAULTY. Does the committee desire that I should submit to it letters from that commission in relation to this authorization at that time, to show its condition? There is no objection to the action of the Post Office Department at that time. There was no effort to harass us in any way.

Mr. ALEXANDER. Letters from the commission would not be material. If you have any official action of the commission, or order of the commission, that might be relevant, but a letter from a member of the commission saying that he would favor your device does not throw light on the situation.

Mr. NAULTY. I have no access, of course, to the minutes of the commission.

Mr. ALEXANDER. Then it is all in that order of October, where they expressly authorize the device.

Mr. McCoy. From the time in October, 1905, when you were officially authorized, as you have stated, to use your device, what took place up to March, 1907, when, I understand, there was an official order of approval which was not published, as you claim?

Mr. NAULTY. We built mail chutes under our order of authorization and asked for final approval of those mail chutes, and that they be declared to be under the custody and care of the Post Office Department, as required by the regulations, and until November, 1906, there was nothing in any way to complain of of the Post Office Department.

Mr. McCoy. Between October, 1905, and November, 1906, what mail chutes did you install?

Mr. NAULTY. At the Westmoreland apartment house in Washington, at 150 Fifth Avenue in New York, and at the Mercantile Building in St. Louis.

Mr. McCoy. And in the Queen's County Trust Co.?

Mr. NAULTY. In the Queen's County Trust. We had a number. I was just trying to separate those that we had under way and those actually installed. We had the Queen's County Trust Co. under construction, but not installed.

Mr. McCoy. And were you held up on any of those; and, if so, on which?

Mr. NAULTY. On none of those. We had no fault at all to find with the Post Office Department until March 4, 1907.

Mr. McCoy. If there is anything that you want to say with reference to occurrences after March 4, 1907, which you have not already said, will you make the statement now?

Mr. AUSTIN. A brief and concise statement.

Mr. ALEXANDER. I would suggest that if at any time you find there is any material testimony you would like to have the committee consider, you should bring it before us, and you will be given that opportunity; but do not cumber the record by repeating.

Mr. NAULTY. At this time I am in such a confusion of mind that I think it might be better for me not to take up the time of the committee by going through the matter that I have here. I would rather ~~use~~ *up* the time now and prepare this and submit it in order. I can

arrange these letters chronologically and submit them to the committee.

Mr. ALEXANDER. These hearings will be printed at once, and I suggest that you take your testimony as printed in the record and read it with care and find if there is any testimony you have omitted or any statement you have omitted that you want to make to the committee, and I presume we will hear you at some other time.

The CHAIRMAN. Yes.

Mr. McCoy. That is a good suggestion.

Mr. NAULTY. Shall I submit that in writing to the committee?

Mr. McCoy. Make a memorandum of anything you have and come before the committee and finish up your case. There may be some point that may be obscure which you want to make clearer. Get your letters in chronological order and prepare such comment upon the letters you produce as will connect them with the situation.

Mr. NAULTY. I have them so arranged, but I think it will be better for me not to proceed now.

The CHAIRMAN. Then you will be excused for this morning, Mr. Naulty.

(At 11.05 o'clock a. m. the committee took a recess until 3 o'clock p. m.)

AFTERNOON SESSION.

The committee met pursuant to adjournment, at 3 o'clock p. m., Hon. William A. Ashbrook (chairman) presiding. There were also present Messrs. Alexander, McCoy, Austin, and Slomp.

STATEMENT OF MR. JOSEPH E. GRAVES—Recalled.

The CHAIRMAN. Give your name and address to the stenographer?

Mr. GRAVES. Joseph E. Graves, 317 Delaware Avenue NE.

The CHAIRMAN. You were before this committee one day last week?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And you were sworn at that time?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Mr. Graves, state to the committee whether or not you did any work for Mr. G. G. Thomson or Mr. Landick or anyone else in the Division of Supplies on a lawn tennis court in this city?

Mr. GRAVES. Yes, sir. I remember being at the lawn tennis court, Mr. Thomson called my attention to it and he asked me to go up there with Mr. Landick and Fenderson. We went up there and helped fix up the court.

The CHAIRMAN. Mr. Thomson called your attention to it?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And he asked you to go up there and help do this work?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. How long were you engaged in doing that work?

Mr. GRAVES. I do not remember being up there more than a day and a half, as well as I can remember. That lawn tennis court has slipped my mind entirely.

The CHAIRMAN. Do you know anything about who this lawn tennis court belonged to?

Mr. GRAVES. I do not know.

Mr. MCCOY. Where was it?

Mr. GRAVES. Away out on Fourteenth Street. I do not know I am not very well acquainted with the streets out there, but was somewhere near where they had a kind of pleasure place there in a building. I forget now what they called it, a kind of whirling business.

Mr. ALEXANDER. Out beyond Columbia Road?

Mr. GRAVES. Yes, sir; beyond Columbia Road. Up above the street that Mr. Thomson lives on. He lives on Monroe Place, up above Monroe Place, as well as I can remember. It has been a long time since I have been there.

The CHAIRMAN. Mr. Graves, what other post-office employees were up there engaged in that work?

Mr. GRAVES. Only Fenderson and myself, I remember the laborer and Pendleton was there.

The CHAIRMAN. Post-office employees?

Mr. GRAVES. Yes, sir; a little fellow named Pendleton. They called him Jack Pendleton.

The CHAIRMAN. Was he a post-office employee?

Mr. GRAVES. Yes, sir; and worked under Mr. Landick on the third floor. He was out there one day, according to my recollection.

The CHAIRMAN. Did anyone pay you for that work?

Mr. GRAVES. I want to correct myself again about that. If I am not mistaken, I think Mr. Thomson did not pay me any money; but I think, I am positive, Mr. Landick gave me either \$1 or \$1.50, or something of that kind. He came to me the other day after I had made my statement that I did not receive pay for the work at his house and this thing came into my mind since.

The CHAIRMAN. Either \$1 or \$1.50?

Mr. GRAVES. Yes, sir; as well as I can remember.

The CHAIRMAN. Were you on a leave of absence when you did the work on the lawn tennis court?

Mr. GRAVES. No, sir.

The CHAIRMAN. You received pay from the Government at the same time you were engaged on this work on the court?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Well, now, Mr. Graves, you told the committee the other day that you did some work for Mr. Thomson at his house in the way of making a room in the basement for servants and also made some screens for the windows?

Mr. GRAVES. Yes, sir; I did.

The CHAIRMAN. Do you know whether or not Mr. Thomson knew you did that work?

Mr. GRAVES. I know to this extent, he was there with me at the time I was doing it.

The CHAIRMAN. Did he ask you to go up there and do the work?

Mr. GRAVES. He did.

The CHAIRMAN. Where did you get the material to make the screens with?

Mr. GRAVES. The material for the screens came from the post-office carpenter shop.

The CHAIRMAN. Did Mr. Thomson know that that material came from there?

Mr. GRAVES. He went with me to get it.

The CHAIRMAN. Where?

Mr. GRAVES. To the carpenter shop.

The CHAIRMAN. Where did he get the lumber?

Mr. GRAVES. He did not tell me. He stayed there until the gentleman sawed the lumber up, and he told me to get on the car and take it to his house, and that is where I carried it.

The CHAIRMAN. How many screens did you make?

Mr. GRAVES. I think 16, if I am not mistaken, as well as I can remember, either 14 or 16. I know it was all of that number. I do not know but what I probably did not make one or two screens more than necessary, because I thought he was to screen the basement, and I do not think he did, the entire basement, either 14 or 16; nothing less than that, anyway.

The CHAIRMAN. How much time did you put in in making the screens and this room in the basement?

Mr. GRAVES. I think I was there on the room about two and one-half days, and the screens, I think, very nearly the same time, as near as I can remember. I can not remember just exactly.

The CHAIRMAN. Did anybody help you to make the screens?

Mr. GRAVES. No, sir.

The CHAIRMAN. How much pay did you receive from Mr. Thomson for all this carpenter work, the making of the screens and the room?

Mr. GRAVES. He gave me \$2 outside of half a dollar for car fare.

The CHAIRMAN. Half a dollar for car fare and \$2?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And you spent in the neighborhood of five days on the work?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. How much of that time were you on leave of absence and how much of the time were you receiving pay from the Government?

Mr. GRAVES. On one job I was on leave and on the other I was not. He asked me on one job if I would take off the time and assist him; that it would be a favor to do this work, and I told him I would. I made out the blank and he signed it, and I went up there. I have tried to figure out which one it was.

The CHAIRMAN. You have testified before the committee under oath that you worked two and one-half or three days in the making of the room in his basement and about the same time in making the screens?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And that you worked a day and a half or two days on the lawn-tennis court?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And all at the order and with the knowledge of Mr. Thomson?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. That you took the material for the window screens from the Post Office Department with his knowledge?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. And that all of the time you were on Government pay, except on either the job of doing the carpenter work on the room or in making the screens?

Mr. GRAVES. Yes, sir.

Mr. MCCOY. When you made the tennis court, were you on leave?

Mr. GRAVES. No, sir; I was not on leave. I remember—the reason this was distinctly in my mind, it was something unusual for the superintendent to request you to make out leave to do anything or to ask you if you wanted to make out leave for doing anything for him. This particular time he asked me if I would take the day off and help him.

The CHAIRMAN. You took a leave of absence for about three days and for that you received \$2?

Mr. GRAVES. Yes, sir.

The CHAIRMAN. Did you consider that that was sufficient pay for your services?

Mr. GRAVES. I hardly considered it that way, because I did not think any pay was required. Of course, I was worth more than that. The Government was paying me \$2 a day. If he had not given me anything I would not have kicked. I did not think very much of the \$2, but it paid my car fare. As I remember, I took the car fare pretty much out of my pocket going to and fro. He said to me, "Joe, I would like to have these things finished. What time can you get here in the morning?" I said: "Well, I live a good ways from here and if I have to walk it will put me here pretty late, because I have not got car fare. I would like to get a quarter or half a dollar." He gave me half a dollar. I had already spent 50 cents for car fare going up and down to the work, because it cost me 10 cents each way, and I was up there two and one-half or three days.

The CHAIRMAN. You had to pay two car fares each way?

Mr. GRAVES. One up and one down, two car fares going to and fro, 10 cents each day.

Mr. ALEXANDER. You spoke about it being unusual for one of the officials to request you to make out leave when they wanted you to do anything?

Mr. GRAVES. Yes, sir.

Mr. ALEXANDER. Did you mean that it was unusual for them to request you to do any work outside or unusual for them when they wanted you to do work outside to request you to make out leave?

Mr. GRAVES. I have been under at least, I venture to say, six or seven superintendents and I do not remember one of them ever before asking me to.

Mr. ALEXANDER. They did not request you to work outside?

Mr. GRAVES. No, sir. I do not remember one asking me to go to his house before since I have been in the service, outside of Mr. Covert. The day he left I went up there a little for him. I was not requested to make out a leave blank to go there. This is the first time he ever requested me. I had been to his house before without the request being made, and that is why I say it was unusual to make out the leave blank.

Mr. TOWNER. What was the entire time that you put in for Mr. Thomson?

Mr. GRAVES. Well, I can not give that to you exact, because, as I stated to the committee before, I did not make any record of it. I am simply putting myself on the statement as near as I can remember. I do not want to get beyond the outside limit.

Mr. TOWNER. Give us your best estimate of the time, please.

Mr. GRAVES. I would like the committee to understand that I do not like to speak of things I am not positive of; that is, make a statement that I can not verify and stand by. As near as I can remember, as I stated awhile ago, on the room and the screens, say, about five days, putting the two together, both jobs. I was out and stayed there one day helping Wilson to move Mr. Thomson. He moved from one house to another, but I can not remember how long.

Mr. TOWNER. I did not ask you accurately, but substantially, to the best of your knowledge, how much time did you put in altogether?

Mr. GRAVES. I venture to say I do not suppose I was up there outside of maybe six and a half or seven days, the outside limit, as well as I can remember. That is, at his house and the lawn-tennis court. I am putting that at the inside limit.

Mr. TOWNER. You did not work for Mr. Thomson on the lawn-tennis court?

Mr. GRAVES. Mr. Thomson, of course, was interested in that court because Mr. Landick could not have given me orders. I had to receive those orders from Mr. Thomson. The foreman on the floor would not let me off.

Mr. TOWNER. That includes the lawn-tennis court?

Mr. GRAVES. I am putting the inside limit; I do not want to go outside.

Mr. TOWNER. Seven days will include all the time you put in?

Mr. GRAVES. As near as I can remember.

Mr. TOWNER. How much of the time did you have leave of absence?

Mr. GRAVES. I was off on leave of absence for one of the jobs at the house, at the outside about two and one-half or three days. Which one, I can not remember to save my life.

Mr. TOWNER. Two and one-half or three days?

Mr. GRAVES. Yes, sir; two and one-half or three days. I was there until he finished.

Mr. TOWNER. For how much of the time did you receive pay from Mr. Thomson?

Mr. GRAVES. I only received \$2 for the work at his house and \$1.50, as well as I can remember, for the lawn-tennis work, \$3.50.

Mr. TOWNER. Would that be enough to compensate you for the time during which you had leave of absence?

Mr. GRAVES. As I said just now, I was satisfied. I——

Mr. TOWNER (interposing). That answers the question. Then you put in about four days there on Government time, did you not?

Mr. GRAVES. Just about.

Mr. TOWNER. Working for Mr. Thomson?

Mr. GRAVES. Yes, sir.

Mr. TOWNER. For which you received no pay; is that right?

Mr. GRAVES. Yes, sir.

Mr. TOWNER. Why did you do this?

Mr. GRAVES. Because, in the first place, he was my chief; I was under his orders; and if he gave me orders to do anything I went and did it.

Mr. TOWNER. You knew when you did this work that you were not doing Government work?

Mr. GRAVES. Yes, sir; I did.

Mr. TOWNER. And you knew that it was wrong to do work for a private individual when under pay for the Government to do work?

Mr. GRAVES. It did not seem exactly right to me, but I was under orders.

Mr. TOWNER. Did you protest against going?

Mr. GRAVES. I did not make any direct protest, but I told him—I did not tell him, but I told one of the parties there that I thought eventually he would face this, or somebody would. I do not remember who it was. I had no right to question him when he told me to do a thing.

Mr. TOWNER. Did you feel that if you did not do this work that you would likely lose your position?

Mr. GRAVES. I did not think that I would lose my position. I thought I might cause him to have an ill feeling against me, which I did not want him to have.

Mr. TOWNER. You thought that you would suffer in consequence if you did not?

Mr. GRAVES. I did.

Mr. TOWNER. You did this thing which you knew to be wrong because you feared that you would suffer yourself if you did not do it?

Mr. GRAVES. I must say that I do not know whether I felt it was wrong to obey Mr. Thomson's order, because I had orders to obey him. Of course, I knew very well it was not Government work. I felt that I had a right to go on and do it, so far as his orders were concerned.

Mr. TOWNER. Did you feel that his order would be a protection to you?

Mr. GRAVES. No, sir; I did not, if I understand you right. I did not feel that he could protect me against the Government for any wrong, but I did work for the Government under his orders and had to obey him.

The CHAIRMAN. You are excused.

(Thereupon the committee proceeded to the consideration of executive business, after which it adjourned.)

No. 7

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

TO INVESTIGATE THE POST OFFICE
DEPARTMENT

JUNE 21, 22, AND 23, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

**COMMITTEE ON EXPENDITURES IN THE POST OFFICE DE-
PARTMENT.**

HOUSE OF REPRESENTATIVES.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call.]

WILLIAM A. ASHBROOK, Ohio, *Chairman.*

JOSHUA W. ALEXANDER, Missouri.

RICHARD W. AUSTIN, Tennessee.

WILLIAM C. REDFIELD, New York.

C. BASCOM SLEMP, Virginia.

WALTER I. MCCOY, New Jersey.

HORACE M. TOWNER, Iowa.

ERNEST CORNELL, *Clerk.*

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT, HOUSE OF REPRESENTATIVES, *Wednesday, June 21, 1911.*

The committee this day met, Hon. William A. Ashbrook (chairman) presiding.

There were also present Messrs. Alexander, McCoy, Redfield, Slemp, and Towner.

TESTIMONY OF MR. THEODORE L. WEED—Recalled.

The CHAIRMAN. Mr. Weed, you are the chief clerk of the Post Office Department, I believe?

Mr. WEED. Yes, sir.

The CHAIRMAN. Mr. Weed, the committee wishes to inquire this morning about a proposal recently prepared, as I understand, by you, for post-office supplies for the next fiscal year and for the purpose of identification, that you may know just what supplies are in question, I will ask you if that is a true copy of the proposal for bids prepared by you or under your direction [handing witness proposal]?

Mr. WEED (after examining proposal). Yes, sir.

The CHAIRMAN. I will let the proposal appear in the record marked "Exhibit 21."

(The proposal referred to is as follows:)

EXHIBIT 21.

[Duplicate.]

CIRCULAR—PROPOSAL.

File No. A—501.

POST OFFICE DEPARTMENT,
OFFICE OF THE PURCHASING AGENT,
Washington, June 7, 1911.

SHAW-WALKER Co., *Washington, D. C.:*

Sealed proposals, subject to the usual conditions, will be received at this office until 2 o'clock p. m. June 16, 1911, at which time and place they will be publicly opened, for furnishing and delivering at and within the doors of the Post Office Department, Washington, D. C., the articles named below during the fiscal year beginning July 1, 1911.

Bidders have the right to be present, either in person or by attorney (sec. 69, P. L. & R.; sec. 3710, R. S.), and to examine and inspect all bids (33 Stat. L., 440).

The department reserves the right to reject any or all bids.

Proposal must be signed by the bidder and inclosed in the accompanying envelope.

—————, *Purchasing Agent.*

The PURCHASING AGENT,
Post Office Department:

In accordance with the above advertisement, inviting proposals for supplies, and subject to all the conditions thereof, the undersigned propose to furnish and deliver the articles below specified at and within the doors of the Post Office Department, Washington, D. C., at the prices set opposite each article, and within the time specified; and further agree to furnish subsequently any additional quantities of the supplies listed as often as requested during the fiscal year at the same prices, unless otherwise stated herein.

Price for each item must be specified, as well as total amount of bid.

Quantity.	Articles.	Dollars.	Cents.	Per—
75	Horizontal units, letter size. Each unit to have 3 drawers. Interior drawer work to be all steel, with steel extension-pan slide and steel follower block. Ends to be paneled in oak, golden oak finish. Drawer fronts to be built-up 3-ply and handles bolted through. Each drawer to have 21-inch filing space.			
15	Sanitary leg bases, golden quartered oak, 25 inches deep, 10½ inches high			
15	Tops, 25 inches deep, 3½ inches high. An alternate bid will be considered on sections constructed of all steel, as follows:			
108	Units: Each unit to have 2 drawers 25 inches deep outside, constructed with air chamber in each end, to be finished golden oak, with 4 coats, each coat baked			
19	Steel sanitary bases 10 inches high, 25 inches deep			
19	Steel tops 25 inches deep, 2½ inches high			
	Bidders to submit cuts and descriptions of cases they propose to furnish. The order for these articles will not be given until after July 1, 1911. Bidders will please state how soon after July 1, 1911, delivery will be made.			
	Delivery to be made within days.			

_____, Bidder.
(Address) _____.

The CHAIRMAN. Mr. Weed, what division or branch of the Post Office Department were these supplies intended for?

Mr. WEED. The First Assistant Postmaster General. This was a proposal, it was not a requisition—a circular proposal, sent to bidders, inviting competition.

The CHAIRMAN. Made out in conformity with your regulations?

Mr. WEED. Yes, sir.

Mr. TOWNER. Mr. Weed, in order to make that clear, this is a requisition, or, rather, in response to a requisition as made out by you?

Mr. WEED. Yes, sir.

Mr. TOWNER. Or by some other department of the Government?

Mr. WEED. No, sir; made out in the chief clerk's office.

Mr. TOWNER. For supplies for what?

Mr. WEED. For one of the divisions in the office of the First Assistant Postmaster General.

Mr. TOWNER. That is Mr. Grandfield?

Mr. WEED. Dr. Grandfield; yes, sir.

Mr. TOWNER. The requisition is first made out by the officer who desires the supplies and then it is presented to you for approval?

Mr. WEED. Yes, sir.

Mr. TOWNER. And if you approve it, then the requisition goes in the form of a proposal to firms who are to bid upon it. Is that the *modus operandi*?

Mr. WEED. Yes, sir.

Mr. TOWNER. So, in this case, this requisition came from the First Assistant Postmaster General and was sent to your office and approved by you, and then the proposal was given out in accordance with law, and this Exhibit No. 21 is the proposal that was given out to the firms to bid upon?

Mr. WEED. Yes, sir. There is one slight modification that I should make to your question. There was no written requisition coming from the First Assistant Postmaster General.

Mr. TOWNER. It does not make any difference about that.

Mr. McCoy. Just one question there. These proposals are drawn up in several copies; is not that the way you do it?

Mr. WEED. Yes, sir.

Mr. McCoy. And mailed to people who might wish to bid?

Mr. WEED. Yes, sir.

Mr. McCoy. How many, and to whom?

Mr. WEED. I should say to all of the representatives of filing-device concerns in Washington. I can give you the exact number.

Mr. McCoy. How many of those are there, roughly?

Mr. WEED. About 10.

Mr. McCoy. And this proposal was sent to about 10?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. This proposal contains specifications of different articles. Who prepared those specifications?

Mr. WEED. They were prepared in my office.

Mr. ALEXANDER. Who prepared them? It required some technical knowledge to prepare them.

Mr. WEED. They were prepared by the assistant superintendent of buildings, Mr. Shaw.

Mr. ALEXANDER. You say the articles mentioned here are for the First Assistant Postmaster General's office. Does he make the requisition on the Postmaster General, or on you as chief clerk, for the articles?

Mr. WEED. Generally; yes, sir.

Mr. ALEXANDER. Did he in this instance?

Mr. WEED. Not in writing.

Mr. ALEXANDER. How do you get information that he needs these articles?

Mr. WEED. The present Postmaster General, over a course of several years, has been gradually changing an old filing system in the Post Office Department so as to introduce modern methods, and gradually the old vertical files, the old three-folded file—to make clear what I mean, they are used for papers regarding presidential postmasters and their appointments, valuable papers—have been changed for the flat filing system and placed in metal filing cases, because of the value of the papers and the desire of Mr. Hitchcock to have them safe from fire so far as possible. In their relative importance those files have been changed, so that those relating to postmasters of the first class have now gone into steel devices, later those of the second class, and, finally, those of the third class, until

we run up against the great number of fourth-class postmasters, exceeding 40,000, the files of which occupy considerable space. Recently the Postmaster General instructed me himself to look into the question of purchasing some kind of a steel file to insure the safe-keeping of these valuable records.

Mr. ALEXANDER. Were these specifications then prepared by the superintendent of buildings under your direction?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Did any outside concern furnish these specifications, or have anything to do with the framing of them?

Mr. WEED. No.

Mr. ALEXANDER. Now, for instance, did the Globe-Wernicke, or any other concern manufacturing these supplies, furnish these specifications?

Mr. WEED. Not to my knowledge.

Mr. ALEXANDER. Or talk to you about what the specifications should be?

Mr. WEED. The specifications are divided——

Mr. ALEXANDER (interposing). I say did they talk about what the specifications should be, or advise you in framing them?

Mr. WEED. I want to tell you, Judge. If I should reply directly, I should say no.

Mr. ALEXANDER. Make any explanation you care to.

Mr. WEED. The proposal is divided into two parts, one relating to semi-steel devices, and the other to all-steel devices.

Mr. ALEXANDER. Did those specifications call for bids on semi-steel devices?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And all-steel devices?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. What I want to get at, if I can, is, who framed those specifications. Now, the superintendent of buildings, you say?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Has he the technical knowledge necessary to frame those specifications?

Mr. WEED. He has.

Mr. ALEXANDER. Where did he get it?

Mr. WEED. Well, he has occupied that position for several years.

Mr. ALEXANDER. But he is not a manufacturer of devices of this sort. What I want to get at is simply this, if any manufacturer of this device advised the department, or rendered assistance in framing these specifications, and who they were?

Mr. WEED. I started to tell you, in a very few words, that situation. I can not answer it in one word. I should like to put it in the record, because it is of importance, and should go in.

The proposal is divided into two parts, one for semisteel devices and the other for all-steel devices.

The CHAIRMAN. Allow me to interrupt you. You made a statement a moment ago that the Postmaster General was endeavoring to use all-steel devices—to substitute for wooden and semisteel all steel.

Mr. WEED. He did not include semisteel.

Mr. ALEXANDER. Let him answer my question first.

The CHAIRMAN. Did you make that statement?

Mr. WEED. I was simply referring to the wooden files, the perpendicular files. That was the old style that is used, similar to those used in this room [indicating].

The CHAIRMAN. You may proceed, Mr. Weed.

Mr. WEED. All-steel devices were very expensive, more expensive than we could afford to pay. I knew that the Globe-Wernicke Co. manufactured a semisteel device, the front of which was composed of two sheets of steel with an air chamber, the sides, the bottom, and the rear of the steel and the rest of the framework surrounding it of wood, and that this device could be purchased for the same price as the all-wooden device. It seemed to me, as an administrative officer, that this was an excellent proposition. I was naturally curious to look into the situation. I visited the store and examined the device.

The CHAIRMAN. You say that you did go by the store and examine the Globe-Wernicke device?

Mr. WEED. Yes, sir.

The CHAIRMAN. Did you go to any other stores in town and examine theirs?

Mr. WEED. I did not. I had never heard of any other company manufacturing this particular style, semisteel and semiwood device. I sent the assistant superintendent to the store, also.

Mr. ALEXANDER. Then, there was no room for competition if they are the only manufacturers of the device under the specifications.

Mr. WEED. If they happened to be the only manufacturers there would be no room for competition.

Mr. ALEXANDER. Where you find a situation like that, would you not rather specify some other device?

Mr. WEED. That is just what I did.

Mr. ALEXANDER. In order to secure competition?

Mr. WEED. I put in an alternate proposition.

Mr. ALEXANDER. You had in mind the Globe-Wernicke device, did you?

Mr. WEED. Not at all.

Mr. ALEXANDER. I notice here—

75 horizontal units, letter size. Each unit to have three drawers. Interior drawer work to be all steel, with steel extension pan slide and steel follower block. Ends to be paneled in oak, golden oak finish. Drawer fronts to be built up three-ply and handles to be bolted through. Each drawer to have 21-inch filing space.

Now, these were to be all steel?

Mr. WEED. Semisteel.

Mr. TOWNER. Is that the first specification in the proposal?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. There is no specification here for an all-steel device of that description, is there?

Mr. WEED. Not exactly.

Mr. ALEXANDER. There is none at all. Examine the specification. The alternate bid does not relate to this device at all. That is the only specification for the 75 horizontal units, the first item in this proposal, is it? Is not that a fact?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Now, you made up that specification from the Globe-Wernicke people's specifications, did you not?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Did you try to ascertain if there was some other device like that, or nearly like that, that might be serviceable to the Post Office Department which you might frame up as an alternate proposal, in order to invite competition?

Mr. WEED. I inquired if there were substantially the same device for sale by other dealers.

Mr. ALEXANDER. Whom did you inquire of?

Mr. WEED. The furniture expert of the Treasury Department.

Mr. ALEXANDER. Is this device of the Globe-Wernicke Co. the only one in the United States that would answer the purposes of the department?

Mr. WEED. I am not prepared to say, Judge.

Mr. ALEXANDER. What investigation have you made to find out?

Mr. WEED. This was the first step in the investigation, to issue proposals and get replies.

Mr. ALEXANDER. By simply issuing this proposal and inviting bids on a device that is manufactured by one company alone, how would you expect to secure competition? The purpose of making the proposal and advertising for bids is to invite competition.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Now, you sent this proposal to other firms in the city, did you not?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. At the time you sent it you knew that they did not manufacture this device, in other words, a device that would conform to these specifications?

Mr. WEED. No, sir; I did not.

Mr. ALEXANDER. Did you take any pains to inform yourself on that subject?

Mr. WEED. I did.

Mr. ALEXANDER. Do you know that they are complaining that these specifications only fit the Globe-Wernicke device and that they are practically shut out from competition?

Mr. WEED. I know one firm in town is complaining, but I do not know that they are shut out from competition.

Mr. ALEXANDER. It would not be worth while for them to submit a bid unless the bid conformed to the specifications?

Mr. WEED. Several did submit bids.

Mr. ALEXANDER. "Fifteen sanitary leg bases, golden quartered oak, 25 inches deep, 10½ inches high." I suppose that is a part of the device?

Mr. WEED. The other 108 units; that is the alternate proposition.

Mr. ALEXANDER. "Fifteen tops, 25 inches deep, 3½ inches high." I suppose they are parts of the 75 horizontal units provided for?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. In other words, it is necessary that they be used. It says:

An alternate bid will be considered on sections constructed of all-steel, as follows: One hundred and eight units—

That is intended to be a duplication of these other quantities called for?

Mr. WEED. It is intended to be.

Mr. ALEXANDER. One calls for 75 horizontal units and the other 108 units?

Mr. WEED. That is due to the construction of the filing device. It would require 108 all-steel units to hold the same capacity as the 75 horizontal units.

Mr. ALEXANDER. Did not the specifications for the 108 units also come from the Globe-Wernicke Co.?

Mr. WEED. They did not.

Mr. ALEXANDER. Where did they come from?

Mr. WEED. Standard specifications.

Mr. ALEXANDER. What concern manufacturers units of that description?

Mr. WEED. We received four bids—one from the Globe-Wernicke Co., one from the Art Metal Construction Co., one from the General Fireproofing Co., and one from the Canton Art Metal Co.

Mr. ALEXANDER. For the all-steel units?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Did they all conform to the specifications?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. The bids all conformed to the specifications for the 108 units?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. How many bids did you receive for the 75 horizontal units?

Mr. WEED. Three.

Mr. ALEXANDER. Did the bids comply with the specifications?

Mr. WEED. Substantially.

Mr. ALEXANDER. From whom were they received?

Mr. WEED. H. W. Andrews, of New York; Fred S. Lincoln, of Washington, D. C.; and the Globe-Wernicke Co.

Mr. ALEXANDER. Put the names of the people and the prices into the record.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. For the 75 horizontal units, who were the bidders?

Mr. WEED. Fred S. Lincoln, of Washington, D. C.

The CHAIRMAN. What firm does he represent?

Mr. WEED. He bid for the Macey filing device.

The CHAIRMAN. Give us the names of the firms who bid on the first proposal and the prices?

Mr. WEED. The firms bidding on the 75 horizontal units were Fred S. Lincoln, of Washington, D. C., \$1,468.75.

Mr. ALEXANDER. Whom was he representing?

Mr. WEED. I assume he represents the Macey house. He is the manager of the Macey Co., but whether his bid for this semisteel filing device is for the Macey Co. or some other firm, I am not sure.

The CHAIRMAN. Did not your proposal call for oak with metal bodies?

Mr. WEED. Yes, sir.

The CHAIRMAN. Did he not bid on oak with wooden bodies?

Mr. WEED. It does not appear so.

The CHAIRMAN. It appears on this abstract of bids furnished by Mr. Holmes which I have in my possession.

Mr. WEED. It does not appear on the proposal I have.

Mr. REDFIELD. This is the original I have in my hand, and I think that is a misunderstanding. Does it not say "Ends to be paneled in oak"?

Mr. WEED. It does. "Ends to be paneled in oak, golden-oak finish." He submitted a bid of \$17.65 for each section.

The CHAIRMAN. But the Globe-Wernicke people bid on oak with metal body, and the Macey concern bid on oak with wooden body?

Mr. WEED. It is not stated here, Mr. Chairman.

The CHAIRMAN. Proceed with the other bids and prices.

Mr. WEED. As I said, so far as my first information was concerned, the Globe-Wernicke people were the only concern manufacturing this semisteel filing device, and later on I consulted the furniture expert of the Treasury Department, and he informed me that there were several others manufacturing substantially the same device, with some slight modifications here and there.

Mr. ALEXANDER. Give the names of the other bidders and the prices bid by each for the 75 horizontal units.

Mr. WEED. The Globe-Wernicke Co., \$1,575.

Mr. ALEXANDER. Is that for the identical same device? In other words, do the Macey people and the Globe-Wernicke people bid on the same device, and is the Globe-Wernicke bid \$1,575 as against \$1,468.75 by the agent of the Macey Co.?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Then the Macey bid is the better bid?

Mr. WEED. It is the lower bid.

Mr. ALEXANDER. It is the better bid if it is the lower bid?

Mr. WEED. No, sir; it is not the better bid.

Mr. ALEXANDER. In what respect, if they both conform to the specifications and are identical?

Mr. WEED. That brings up the entire question of filing devices used by the Government departments.

Mr. ALEXANDER. You say that the Macey people's bid on this first specification for 75 horizontal units conforms to the specification submitted by you?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. And they agreed to furnish them for \$1,468.75. The Globe-Wernicke Co. bid on the same specification, for the same device; their bid conforms to the same specification, and is \$1,575. Why is their bid better?

Mr. WEED. The highest furniture expert in the Government is located in the Treasury Department, and if the other departments wish to secure advice regarding any concern they must go there, because the Division of Equipment in the Treasury Department is concerned with the equipment of all public buildings and employs men who are trained in furniture construction. On July 8, 1910, the Division of Equipment of the Treasury Department submitted a letter to the board of awards, carefully analyzing the construction of every filing device, and the conclusion reached by these furniture experts divided the filing devices into two classes, the dependable class and the non-dependable class. In the dependable class they include the Globe-Wernicke, the Library Bureau, with its two classes, two lines, the Ilion & Cambridge, and Yawman & Erbe. In the nondependable class they include the Shaw-Walker Co. and Macey.

Mr. ALEXANDER. Have you that communication or letter in which they made that finding?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Let that go into the record.

Mr. WEED. Yes, sir.

Mr. ALEXANDER. What other bids were received? I prefer to have them first.

Mr. WEED. On the 75 horizontal units——

Mr. TOWNER (interposing). Judge, excuse me. I want to call your attention to the memorandum attached to the bid of Fred S. Lincoln, who, as I understand it, represents the Macey people. Is that correct?

Mr. WEED. Yes, sir.

Mr. TOWNER. I notice that he calls attention here to "the letter attached hereto, which is a part of this bid."

Mr. WEED. Yes, sir.

Mr. TOWNER. Was your attention called to that when you answered, for instance, that this bid was identically the same as the other bid?

Mr. WEED. No, sir.

Mr. TOWNER. That is, the bid was not in exact accordance with the proposal, as you stated?

Mr. WEED. No, sir.

Mr. TOWNER. Was your attention called to that?

Mr. WEED. No, sir.

Mr. McCoy. Had it ever been?

Mr. WEED. No, sir.

Mr. McCoy. Had you never seen it before you answered the question here a few minutes ago?

Mr. WEED. Well, I had seen the letter attached to the bid, but I had not read the letter.

Mr. McCoy. Had you seen the memorandum to which Judge Towner has called attention before you answered the question a few minutes ago?

Mr. WEED. It was there.

Mr. McCoy. Had you seen it before you answered the question? That is a question susceptible of a yes or no answer, and I would like to have it.

Mr. WEED. I must have seen it; it was attached.

Mr. TOWNER. I will call your attention to the fact that in this letter, which, according to the memorandum, is made a part of the bids, it says:

We propose to furnish sections with wooden drawers, wooden follower blocks and metal roller suspension slides.

I believe that is not in accordance with the proposal?

Mr. WEED. No, sir.

Mr. TOWNER. Then, it was a modification?

Mr. WEED. Yes, sir.

Mr. TOWNER. Then, it was not in accordance with the original proposal?

Mr. WEED. No, sir.

Mr. McCoy. Did you examine that bid when it came in?

Mr. WEED. I was not in the city, Mr. McCoy; I was at St. Paul.

Mr. McCoy. Have you ever examined the bid of the Macey Co. in its completeness?

Mr. WEED. The matter has not come up before me.

Mr. McCoy. That does not answer my question.

Mr. WEED. No, sir.

The CHAIRMAN. Will you state whether there is more than one firm that did make the bid in accordance with the first proposal or could make a bid upon the first proposal, so far as your knowledge extends?

Mr. WEED. The bids were received while I was away from town and they had not been brought to my attention. I had no intention of acting on them until after July 1.

Mr. McCoy. Let me make a suggestion. The next time you testify about any fact be sure that you have considered the question thoroughly, that you feel competent to answer it. You have been asked here whether a bid conformed to certain specifications and you said it did, substantially. Apparently you have answered the question without considering it and you are wasting the time of the committee and bringing discredit on yourself.

Mr. WEED. I said it did, substantially.

Mr. McCoy. You did not know, apparently, or if you did know you did not say what was true; you can take the alternative.

Mr. WEED. Three companies bid on the proposal for 75 semisteel units.

Mr. McCoy. I call attention to the fact that that is not an answer to the question.

The CHAIRMAN. What firm did make a bid in accordance with the first proposal?

Mr. WEED. The Globe-Wernicke Co.

The CHAIRMAN. What other firms?

Mr. WEED. H. W. Andrew.

Mr. ALEXANDER. What is their bid; how much?

Mr. WEED. \$2,998.

The CHAIRMAN. Oak with metal body—semisteel.

Mr. WEED. Semisteel.

The CHAIRMAN. Have you a copy of their bid?

Mr. WEED. I think it is attached to the letter.

The CHAIRMAN. Let it go into the record.

Mr. WEED (reads:)

Mr. J. A. HOLMES,

Purchasing Agent, Post Office Department, Washington, D. C.

DEAR SIR: We are pleased to quote you on 75 horizontal units for letter files, 15 sanitary leg bases, 15 top units, 19 steel bases, as per your requisition in the Government Advertiser, and detail drawing will be submitted on request.

Price for the above, two thousand nine hundred and ninety-eight and no/100 (\$2,998).

The CHAIRMAN. Do you say that that bid conforms to the first proposal?

Mr. WEED. I so construe it.

The CHAIRMAN. How do you account for the very great difference in the bids? Is it not because of the fact that Andrews would be compelled to make that specially and that it is not regular stock with them?

Mr. WEED. I have not any idea, Mr. Chairman.

The CHAIRMAN. Do you know of more than the one firm, the Globe-Wernicke Co., that keeps the oak with metal bodies in regular stock?

Mr. WEED. I said in the beginning that when I first went there that was my information, that they were the only company.

Mr. McCoy. Have you learned anything since then to make you change your mind about it?

Mr. WEED. I was told by Mr. Stevens, of the Treasury Department, that there were two or three other companies making that type of device.

Mr. McCoy. Did he tell you what the companies were?

Mr. WEED. Yes, sir.

Mr. McCoy. Did you send this proposal to them?

Mr. WEED. Yes, sir.

Mr. McCoy. Who were they?

Mr. WEED. The Andrews Co., the Library Bureau Co., and the Macey or Lincoln Co.

Mr. McCoy. This expert of the Treasury Department told you that those three concerns which you have mentioned made devices which were identical with those specified in this proposal?

Mr. WEED. Not identical; no, sir.

Mr. McCoy. Did he tell you in what respect they differed?

Mr. WEED. He said "With slight modifications."

Mr. McCoy. Did he tell you that notwithstanding those modifications they could, if they wanted to, out of the regular stock otherwise comply with the proposal?

Mr. WEED. Yes, sir; but there was no reference made to regular stock; I do not know that that came up.

Mr. McCoy. Is there not a patent on the device of the Globe-Wernicke Co.?

Mr. WEED. I can not say.

Mr. McCoy. Have you ever heard?

Mr. WEED. I have not.

Mr. McCoy. So far as your information is concerned it is not a patented device all through?

Mr. WEED. I have no knowledge.

Mr. ALEXANDER. What other firms bid on the 75 horizontal units?

Mr. WEED. Only three.

Mr. ALEXANDER. Then it is a fact that there is no other company except the Globe-Wernicke Co. that manufactures a device that conforms exactly to the specifications submitted in this proposal? Is not that true?

Mr. WEED. I do not know.

Mr. ALEXANDER. Have you any information of any other?

Mr. WEED. Only such information as I quoted as having received.

Mr. ALEXANDER. Mr. Stevens, of the Treasury Department, did not tell you they did, according to your statement, "did substantially" you say, or "with slight modifications." I am asking if there is any other concern that manufactures a device that conforms to the specifications, to your knowledge?

Mr. WEED. So far as my knowledge goes, there is no other.

Mr. ALEXANDER. Then, as an officer of the Government charged with the duty of securing these filing devices, do you not think in all fairness and justice to the Government that these specifications should have been broad enough, elastic enough, to permit bids for

devices substantially of the same merit as this device and not to so frame the specifications that no other than the Globe-Wernicke Co. could compete or bid?

Mr. WEED. I think the specifications could not have been more fairly framed.

Mr. ALEXANDER. Do you think it is fair to frame specifications that only one company can conform to? Suppose this is a patented device and other companies can not furnish the same device without infringing a patent, and yet they may have a device just as good, would that be good administration?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Just to yield to the monopoly and pay the price regardless of the amount they may demand, although there may be other devices quite as good that may be purchased for less money?

Mr. WEED. I mean to say that it has been ruled very frequently by the legal officers of the Government that where a patented device is required it may be purchased without competition.

Mr. ALEXANDER. That is only a device where there is no other of its kind just as good that will meet the requirements of the service?

Mr. WEED. Exactly.

Mr. ALEXANDER. Do you pretend to say that the Globe-Wernicke device is the only one the Government can use there which will give satisfaction?

Mr. WEED. I have not pretended to say any such thing.

Mr. ALEXANDER. I want to know if that is your notion now. You frame specifications that nobody else can bid on.

Mr. WEED. My attention had been called to this semisteel device which cost no more than the wooden device, and it appealed to me as a very excellent article of furniture. The proposal was drawn primarily to learn whether there could be any competition, or whether any other firms produced the same article, and in fairness to all bidders an alternate proposal for all-steel was inserted. I do not know how a proposal could be drawn more fairly than that. The general supply committee did not award a contract for filing devices, and they took the same action with regard to typewriters, and if a Government department desired to-day it could purchase 100 Remington machines or 100 Underwood machines and no question could be raised. I do not see, and I am sure the committee did not see, any difference between the purchase of filing devices and typewriters. The mere fact that they would not award the contract to any firm proves that.

The CHAIRMAN. Mr. Weed, according to the specifications in the first proposal they conform strictly to the device manufactured by the Globe-Wernicke Co.; is not that a fact?

Mr. WEED. Yes, sir.

The CHAIRMAN. How were you able to prepare these specifications yourself to conform to the device of the Globe-Wernicke Co., unless you had some assistance from the representative of that company in preparing them?

Mr. WEED. I said, Mr. Chairman, with entire frankness, because there is nothing in the matter that I wish to conceal, that I sent the assistant superintendent up to the Globe-Wernicke establishment to look over this device. It was the first of its kind that I had ever seen.

The CHAIRMAN. Then, as a matter of fact, they prepared this first proposal, did they not?

Mr. WEED. Not at all.

Mr. McCoy. Did the assistant superintendant bring anything back with him in writing or printing from the Globe-Wernicke Co.?

Mr. WEED. Not to my knowledge. I would like to have you ask him the question.

Mr. McCoy. Did he show you anything in writing or printing?

Mr. WEED. He did not.

Mr. McCoy. You mean to say that somebody in the employ of the Government was able, without anything in printing or in writing to assist them, to draw this proposal in detail providing for horizontal units, 3 drawers, and so forth, each drawer to have 21 inches of filing space and the handles to be bolted through—was that done simply from recollection of what he saw down there?

Mr. WEED. I do not undertake to say that. I sent him to look over the piece of furniture.

Mr. McCoy. Do you know whether he made any memorandum when he was there?

Mr. WEED. I do not know, but I think it is quite likely he did.

Mr. McCoy. You have stated that the agent of the Treasury Department, the expert of the Treasury Department, said that there were two other concerns whom you have named here who made articles substantially complying with the details of this proposal?

Mr. WEED. Yes, sir.

Mr. McCoy. Were they, or either of them, in this nondependable class?

Mr. WEED. The Library Bureau certainly was not. The Andrews Co. was not.

Mr. McCoy. Were either of the two companies which he mentioned as making substantially this device in the nondependable class?

Mr. WEED. So far as my information goes, they were not.

Mr. McCoy. You said that he told you they were substantially the same; that they made articles substantially the same as the device called for by this proposal?

Mr. WEED. Yes, sir.

Mr. McCoy. Why did you not put in the words "Substantially complying with the following requirements"?

Mr. WEED. I stated that at the time I ordered these specifications drawn it was with the idea of securing a bid on this particular semi-steel device that I had seen at the Globe-Wernicke establishment. That is frankly stated; I have no desire to conceal it.

Mr. McCoy. That is very true, we will assume it is; but you say that the Treasury expert told you that other companies made substantially the same device?

Mr. WEED. Yes, sir.

Mr. McCoy. Why did you not put in the word "substantially," substantially complying with the following requirements, so that anybody who did not make identically the same device would know that he could substantially comply with the particulars and still be considered as a bidder? Did you ever see the word "substantially" used in a specification?

Mr. WEED. Of course.

Mr. McCoy. Why did not you use it here?

Mr. WEED. Well, in the first place, it did not occur to me to use it. I had only one purpose in putting the wording in these specifications as they were at that time. I wanted to draw out the fact what the article could be purchased for.

Mr. McCoy. Could you not go and ask them what they would sell it for, if that is what you wanted to know?

Mr. WEED. I had the price, so far as that is concerned.

Mr. McCoy. You did not need to find out what they would sell it for; you knew what they would sell it for?

Mr. WEED. I had not the slightest idea what they would bid under competition.

Mr. McCoy. In other words, what you wanted to find out was what the price would be under competition?

Mr. WEED. Yes, sir.

Mr. McCoy. If you wanted competition, why did not you put in the word "substantially," so that other people could compete?

Mr. WEED. I answered that before. I have answered that a number of times. I think, if the stenographer will return to my answers——

Mr. McCoy (interposing). Just answer the question.

Mr. WEED. The specification was drawn merely as a feeler to find out what price would be received. There was no definite idea in my mind whether more than one bid would be received or not. As a matter of fact, I told you frankly that I did not care; that it was merely a feeler to determine what that article could be purchased for.

Mr. McCoy. So you put out one feeler, but you did not put any more?

Mr. WEED. There are two sides to the proposition.

Mr. McCoy. Apparently only one side occurred to you. That is what I want to find out, why the three or four sides of the proposition did not occur to you?

Mr. WEED. I think an administrative officer has the right to himself exercise some judgment in these matters. If he sees an article which strikes him as being much better, and at the same time cheaper, than anything else he has ever seen, especially filing devices for which no contract was let by the general-supply committee, it seems to me he has the right, if he desires, to select a certain kind. I do not claim that right here. I simply wanted to obtain from the Globe-Wernicke Co. a statement of the price they would submit under competition, and at the time I certainly had not the slightest knowledge whether it would create competition or not.

Mr. McCoy. Did you tell the Globe-Wernicke Co. that you were going to have competition?

Mr. WEED. Certainly not.

Mr. REDFIELD. I think two subjects are confusing a little, and I want to straighten them out. That is the purpose of my asking this question. I think we have confused a little the treatment of these bids that were received and another and distinct subject—the question of issuing these bids in this form. As I understand the actual bids received, which, I believe, have been read into the record——

The CHAIRMAN. Just as to the first proposal only.

Mr. REDFIELD. As I understand, actual bids were received from these, and I purpose to read into the record the memorandum of bids received.

Firms: Three bids, in wood; four bids, in steel.

Mr. WEED. May the words "in wood" be changed to semisteel?

Mr. REDFIELD. I will read the memorandum just as it is:

Firms.	3 bids, in semisteel.	4 bids, in steel.
Globe-Wernicke Co.....	\$1,575.00	\$2,642.00
Fred S. Lincoln.....	1,468.75	No bid.
Art Metal Construction Co.....	No bid.	2,299.00
General Fireproofing Co.....	No bid.	1,879.20
H. W. Andrews.....	2,998.00	No bid.
Canton Art Metal Co.....	No bid.	1,601.60

Referring now to the bids as tabulated, is my understanding of them correct that on the items of three bids the bid of Fred S. Lincoln for \$1,468.75 is informal in the sense that it is accompanied by a letter, together with a memorandum on the original proposal, signed by him, stating that that letter forms a part of his bid, wherein he departs from your specification by furnishing "wooden drawers, wooden follower blocks, and metal roller suspension slides"?

Mr. WEED. Yes, sir.

Mr. REDFIELD. That is right?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Referring, then, to the bid of H. W. Andrews, amounting to \$2,998, is not that bid informal in the respect that it departs from your specifications by including in the letter the first portion of your specifications, together with another item, to wit, steel bases, selected from the second part of your specifications, and therefore informal in its character?

Mr. WEED. I should say no.

Mr. REDFIELD. Then it was rejected merely on account of its amount?

Mr. WEED. I beg pardon; these bids have not been acted on.

Mr. REDFIELD. No action has been taken?

Mr. WEED. No, sir.

Mr. ALEXANDER. I would like to know why you would not consider it a departure when it includes other items than those in the first specification. How would you know what part of the bid figured up to \$2,900?

Mr. WEED. I would have difficulty there. What I mean is that I would not consider informal a bid that had more steel in the construction, because, after all, steel was what we had in mind.

Mr. REDFIELD. That is not the point—the use of any more steel. It is a question of adding 19 additional items, so that there is no means of judging known to me from this bid as to what price he offers in competition either with Lincoln or the Globe-Wernicke Co.?

Mr. WEED. I think so. I think you are quite right.

Mr. REDFIELD. And in that respect the bid is informal?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Let me pass on and take up the other column of bids. In respect to the column in the table headed "4 bids in steel," the low bidder is the Canton Art Metal Co., and for that reason alone, in your final action as an administrative officer, you would throw aside the other bids, providing the quality of the goods was equal?

Mr. WEED. Yes.

The CHAIRMAN. Let me interrupt you there, Mr. Redfield, to ask Mr. Weed if the fact that the Globe-Wernicke Co. agreed to deliver all metal units in 5 days, while the Canton Art Metal Co. asked for 30 days, would be a consideration?

Mr. WEED. It would not, because these goods were not required until some time after July 1, as the proposal states.

Mr. REDFIELD. Now, if you follow me correctly, we reach the conclusion, therefore, where in considering these bids you had in the first column under the heading "3 bids in wood"—

Mr. WEED. Can not that be considered semisteel?

Mr. REDFIELD. Just a moment. Under the column headed "3 bids in wood" there is only one proposal that you can consider, namely, that of the Globe-Wernicke Co., for the reason that the bid of Lincoln is informal, as explained by him, and that the bid of Andrews is so made as to enable you to form no judgment as to what he covers under that column, and in the column "4 bids in steel" the only bid you can consider is that of the Canton Art Metal Co., that being the lowest of all, supposing always that the quality of the goods is the same; is that it?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Now, that disposes of the normal action and clears up, I think, that portion of the study of these actual bids themselves. Let us now take up what seems to be a more important matter. You have used in this specification, have you not, dimensions furnished you by the Globe-Wernicke Co.?

Mr. WEED. Substantially.

Mr. REDFIELD. Mr. Weed, it has been my experience as a manufacturer, in bidding upon public specifications, that they have been sometimes so drawn that the dimensions were those with which my apparatus, although satisfactory for the purpose, could not comply, merely because it was the habit of another manufacturer to make these goods precisely of those sizes, and it was not my habit to do so. Did you not know when these dimensions were put in that they were the dimensions used by the Globe-Wernicke Co.?

Mr. WEED. Substantially.

Mr. REDFIELD. And that therefore——

Mr. ALEXANDER. Right there, don't you know that they were identical specifications with those of the device manufactured by the Globe-Wernicke Co.?

Mr. WEED. There is one element of doubt——

Mr. ALEXANDER. Just answer the question. Did you or not know it to be a fact?

Mr. WEED. What I meant by "substantially" was that I knew that the general dimensions were those used as standards of filing units.

Mr. ALEXANDER. Did you not know that these specifications submitted by you were the identical dimensions of the Globe-Wernicke device? Answer that yes or no.

Mr. WEED. Yes.

Mr. REDFIELD. Now, pardon me——

Mr. WEED. That is for the 75 units. May that go into the record?

Mr. ALEXANDER. Yes; the 75 units.

Mr. REDFIELD. You knew, did you not, that the Library Bureau and Yawman & Erbe were both in this general line of business?

Mr. WEED. Yes.

Mr. REDFIELD. And did you not ask them for any information, prior to sending out this proposal, which would enable you to make it broad enough to include apparatus made by them?

Mr. WEED. I thought it was broad enough to include devices made by any of the filing companies.

Mr. REDFIELD. You have testified that you knew the dimensions in this proposal were those of the apparatus made by the Globe-Wernicke Co.?

Mr. WEED. Yes.

Mr. REDFIELD. Do I understand you correctly, that under those dimensions the Library Bureau and Yawman & Erbe could bid?

Mr. WEED. I mean to say this: That under those dimensions I thought that any company manufacturing a semisteel filing unit could bid.

Mr. REDFIELD. You know, do you not, Mr. Weed, that there is a phrase regularly used in Government specifications comprising three words, "or equal thereto"?

Mr. WEED. Yes.

Mr. REDFIELD. But, knowing that, you omitted these words from these specifications?

Mr. WEED. I did not consider it at the time, Mr. Redfield.

Mr. REDFIELD. Now, Mr. Weed, as a Government buying officer, responsible for spending money that does not belong to you, is it not the fact that you made a serious mistake and omission, in your judgment, in neglecting to put into this proposal the usual and ordinary phrase, "or equal thereto," which would allow any proper manufacturer to come in with his proposal?

Mr. WEED. No.

Mr. REDFIELD. And, if so, why not?

Mr. WEED. Because when those specifications were drawn, my information on the subject was limited. As I stated specifically in the beginning, so far as I knew, there was only one semisteel device of that pattern on the market.

Mr. REDFIELD. Then, do I understand you to plead ignorance and inexperience as the reason for omitting the usual phrase?

Mr. WEED. I will not admit that, Mr. Redfield.

Mr. REDFIELD. I understood you to testify that you knew that that phrase was usual. Could there have been any harm done in getting this information from these other concerns?

Mr. WEED. Not at all.

Mr. REDFIELD. Could there have been anything but good done?

Mr. WEED. We expected to get information from the other concerns.

Mr. REDFIELD. And yet, by the omission of the usual phrase intended for that purpose, it was made impossible for them to furnish it?

Mr. WEED. I received three bids.

Mr. REDFIELD. One of which differs in being entirely unlike in construction, and the other of which is so couched that you yourself have said you did not understand it; so that you were forced, as you have testified, to the consideration, so far as this semisteel construction is concerned, to but one bid, and that not the lowest; is not that so?

Mr. WEED. Yes.

Mr. REDFIELD. Then, would it not be safe to be entirely frank with the committee and admit which of these two conclusions is correct: First, that that you were inexperienced, and made this omission from your specification through it; or, second, that you wanted to buy the Globe-Wernicke Co.'s goods, and had the specification so made that it was only possible to get their goods?

Mr. WEED. In the first place, I have endeavored to be extremely frank with the committee. It is probably that very frankness which enables you to ask some questions which, at first, would seem to be somewhat embarrassing. I do not for a moment admit that the proposal was drawn as a result of inexperience or ignorance in the sense that you mean. I had come across a new filing device, one that had a great deal of merit to it, one which was extremely cheap, and one which combined a large percentage of steel construction with wood, without any advance whatever over the price of the all-wood sections. I think I might have been justified in ordering such a filing device delivered immediately, but out of an abundance of caution, and in all fairness, as I considered at the time, I decided on general advertisement for proposals, hoping to receive other bids; and I did receive other bids. But that was a mere incident. I do not admit for a moment that I had any intention of selecting a semisteel device. That is shown by the fact that we put in an alternate proposal for all steel, which was the kind, after all, that the Postmaster General desired to purchase, if there were sufficient funds available.

Now, that is the whole story.

Mr. REDFIELD. And yet you left out the names of two concerns, both represented in Washington, both of well-known and high character, each of which should, normally, have been able to furnish you information; and you omitted from your specifications the ordinary and usual phrase in Government specifications, namely, the words "or equal thereto," which would have permitted these concerns to make a proposal for something which might have enlightened you. Is not that so?

Mr. WEED. Mr. Redfield, I did not leave out those concerns. I think they received proposals. Representatives of some of those concerns are now present.

Mr. REDFIELD. But you left out the words which would have allowed them to offer those proposals.

Mr. WEED. Those words were not inserted, but I would have been very glad indeed to have received any proposals from them. I do not know that they manufacture this type of device. I should like to ask their representatives who are here if they do manufacture and have in stock a semisteel device.

Mr. REDFIELD. Just one more question, and then I will be through.

You have said you saw this semisteel device at a low price, and you felt you would be justified in buying it. After all, is not this just the means you took to get that thing?

Mr. WEED. I can not admit that, Mr. Redfield, because competition was open to anyone who wished to compete.

Mr. REDFIELD. In what respect?

Mr. WEED. The dimensions of the files are practically the standard dimensions of all filing devices. There may be some point of a technical nature referred to, such as the steel follower and steel extension pan slide, which may relate exclusively to the Globe-Wernicke file, but, taken in connection with the entire bid, I think you are bound to admit, especially since an administrative officer has the right to select the best bid, that a proposal based on those two points would not necessarily result in the selection of any bid received.

Mr. ALEXANDER. Don't you think, now, in the light of what has transpired, and after considering these bids, in fairness to the Government, that they should be rejected and other specifications framed which are broad enough to admit competition?

Mr. WEED. I do not, Judge, for this reason: That what I was after more than anything else was a cheap all-steel device.

Mr. ALEXANDER. You were determined, in other words, to buy the Globe-Wernicke device?

Mr. WEED. I was not.

Mr. ALEXANDER. Then, why are you not willing to reframe these specifications so that others may compete?

Mr. WEED. Because the object of the specifications has been served.

Mr. ALEXANDER. Certainly it has served your purpose in narrowing the bids to the Globe-Wernicke Co.

Mr. WEED. Has any disposition been made of those bids? You have no right to charge me with that.

Mr. ALEXANDER. Now, I ask you if that is not the device you will accept under these bids?

Mr. WEED. I have not the slightest idea at the present time.

Mr. ALEXANDER. None whatever?

Mr. WEED. No, sir.

Mr. ALEXANDER. Why not advertise again, then? These other people are complaining that they can not conform to those specifications—that they can not compete with the others. I am not saying that that is not the best device, and that their bid is not the best bid, and that you would not be entirely justified in selecting that device, but in all fairness to the Government and to yourself to avoid criticism it seems to me that you ought to make a specification broad enough to admit genuine competition. Then you could select the device on its merits and according to its price.

Mr. WEED. Well, Judge, I assume you want to be fair with me; and I want to be fair with you.

Mr. ALEXANDER. Certainly.

Mr. WEED. Now, I ask the committee this: The representatives of other filing devices are here, and I request the committee to ask the Shaw-Walker Co. and the Yawman & Erbe people if they do have in stock such a device as this—a semisteel device?

Mr. ALEXANDER. Is it necessary to have it in stock?

Mr. WEED. Well, if they manufacture it.

Mr. ALEXANDER. Are there any such representatives here to-day?

Mr. WEED. Some gentlemen are here, and I would like to know, for my own information.

Mr. McCoy. I would like to know why you did not consider it necessary to find that out by drawing the specifications, so that they could answer you, and not the committee?

Mr. WEED. I did think I had prepared for that. My information, as I told you, at that time was to the effect that there was only one device. I could only go to one place and find out, the place having such a device. Nevertheless, the right is reserved to a Government officer to select the lowest best bid, and if there are any of these other gentlemen who manufacture such an article, there is no reason why they should not have submitted a bid. The Library Bureau could submit a bid.

Mr. McCoy. Did you go, or send anybody, to the other furniture people, the Library Bureau or anybody else, to ask for their proposal on a similar device?

Mr. WEED. I did not, Mr. McCoy.

Mr. McCoy. You stated a moment ago that you knew of only one such device as that mentioned in this proposal; is that so?

Mr. WEED. Yes, sir.

Mr. McCoy. Then, what did you understand the expert of the Treasury Department to mean when he said there were two others substantially the same?

Mr. WEED. Exactly what I said.

Mr. McCoy. Then, for your purposes, why did you not make use of his information?

Mr. WEED. Oh, I see what you mean. I think my previous testimony brings out this statement, that when I entered into this proposition at first, to my knowledge, I knew of only one concern.

Mr. McCoy. When did you get your information from the expert of the Treasury Department?

Mr. WEED. It was some time subsequent to the issuing of the proposal.

Mr. McCoy. Then, as a matter of fact, when you issued the proposal, you did not have in mind any information which you got from the Treasury Department?

Mr. WEED. I did not; and I intended to bring that out in my first statement.

Mr. McCoy. Then, why, following up Judge Alexander's line of inquiry, would it not be the fair thing at this minute for you to say that you would recommend to the Postmaster General that the bids be rejected and that at least the two concerns which make substantially the same sort of article, as you are informed by the Treasury Department, should have a chance to bid?

Mr. WEED. Well, the two firms did bid——

Mr. McCoy. Should have a chance to bid on a specification which has in it the words "or substantially the same" or "equal thereto"? Why should not that be done at this minute by you?

Mr. WEED. Well, if I had had any intention of selecting the semi-steel device——

Mr. McCoy. Answer my question.

Mr. WEED. I suppose there could be no objection to it.

Mr. McCoy. Then you have no intention of accepting anything except the Globe-Wernicke Co.'s goods?

Mr. WEED. No——

Mr. McCoy. That is the logical inference from your statement. If at this time you have no intention of confining this business to the Globe-Wernicke people, why is it not the proper thing for you to do to reject all bids and to advertise again?

Mr. WEED. Because the bids have served their purpose.

Mr. McCoy. Have they served their purpose of allowing you to make up your mind as to what you are going to take?

Mr. WEED. If we decide on the all-steel construction, which was the sort that was in the Postmaster General's mind when he told me to look into this matter, then my answer would be "yes."

Mr. McCoy. In other words, you had made up your mind to reject the construction which is partly wood and partly steel?

Mr. WEED. No; I have not reached any conclusion. I have not even considered it.

Mr. McCoy. Then you are still open-minded about the whole matter?

Mr. WEED. I have not even taken it up for consideration, and do not intend to do so until July.

Mr. McCoy. Then why, under all the circumstances, is it not wise for you to reject all these bids, in view of the present information which you have, and advertise again?

Mr. WEED. Because I think we have received proposals from practically every company that would bid; and I do not see what useful purpose would be served.

The CHAIRMAN. Now, Mr. Weed, did Mr. Holmes call to your attention any correspondence that he had with the Shaw-Walker Co.? Do you have any knowledge of correspondence between Mr. Holmes and the Shaw-Walker Co.?

Mr. WEED. Yes; I have. As I say, I was away when that question arose.

The CHAIRMAN. You have that knowledge now. How long ago did you get this knowledge?

Mr. WEED. Three or four days after my return from the West.

The CHAIRMAN. When did you return from the West?

Mr. WEED. About June 10.

The CHAIRMAN. June 10?

Mr. WEED. Yes, sir.

The CHAIRMAN. And how long were you gone?

Mr. WEED. About four days.

The CHAIRMAN. You have been here since June 10?

Mr. WEED. Yes; I think that is the date.

The CHAIRMAN. These proposals were sent out on June 7, were they not?

Mr. WEED. Yes.

The CHAIRMAN. Now I want to read to you, Mr. Weed, a copy of a letter of which you say you had knowledge, from the Shaw-Walker Co., dated Washington, D. C., June 8, 1911, addressed to Mr. J. A. Holmes, purchasing agent, Post Office Department, Washington D. C.

(The letter read by the chairman is as follows:)

WASHINGTON, D. C., June 8, 1911.

Mr. J. A. HOLMES,

Purchasing Agent, Post Office Department, Washington, D. C.

SIR: We are in receipt of your proposal Form No. A-501, calling for bids on filing sections for your department. We note that there are certain sections

specified to be of metal interiors, slides, and followers on the drawers, and call your attention to the fact that we do not manufacture sections constructed in such a manner, and know of only one concern which does, and that from reasons of economy rather than adding to the merits of their goods. It would therefore appear that there could be no competitive bidding on this item unless you modify your specifications to allow of lines made in regular manner by other legitimate concerns.

As to the alternate item of all-metal units, it appears inconsistent that three-drawer units should be specified in the oak and two-drawer in the metal, and again this gives an undue advantage to the concern above mentioned and eliminates concerns who manufacture stock sections of three drawers.

May we not be favored with a reply as to whether your specifications will be supplemented by such information to the prospective bidders as will enable them to compete on stock lines on a fair and equal basis?

Very respectfully,

The SHAW-WALKER Co.,
———, *Manager.*

The CHAIRMAN. Do you think that is an unfair request on the part of the Shaw-Walker Co., that you modify your specifications so that they can bid on the proposal?

Mr. WEED. Yes; I think it is an unfair request.

The CHAIRMAN. Unfair in what particular?

Mr. WEED. Because, as I have stated——

The CHAIRMAN. Unfair to give them the opportunity to bid?

Mr. WEED. Well, I consider that they had an opportunity to bid.

The CHAIRMAN. But they informed you that under the specifications of this first proposal only one firm could bid, and they asked to have the specifications modified so that other firms can bid.

Mr. WEED. But there was a second part to the proposal in regard to which they could bid, if they had so desired.

The CHAIRMAN. They wanted to, as they had a right, and as all other concerns had a right, to compete on both proposals, not knowing which proposal you would accept.

Mr. WEED. Yes.

The CHAIRMAN. Was it not fair to give all concerns the right to make a bid on both proposals?

Mr. WEED. I do not like to say it was unfair; but they had no right to make such a demand, because I think the authority is vested in the department, if it desires to purchase a particular style of filing device, to do so, just as it has the authority to purchase a particular typewriter. I have never heard that questioned before.

The CHAIRMAN. Mr. Weed, I want to further ask you whether or not you have knowledge of the reply that Mr. Holmes sent to the Shaw-Walker Co.?

Mr. WEED. No, sir.

The CHAIRMAN. And whether it was sent out with your approval.

Mr. WEED. I think I was probably away when it was sent out.

The CHAIRMAN. Have you seen the reply?

Mr. WEED. No, sir. May I ask the date of it?

The CHAIRMAN. June 12. You returned on the 10th?

Mr. WEED. I think it was the 10th, but I have not seen the reply.

The CHAIRMAN. I want to say to you and to this committee that if I had in my office an employee who would send out such an impertinent letter as this letter from Mr. Holmes, which, I understand,

emanated from the acting chief clerk, I would discharge him forthwith. I desire to read that letter into the record [reading]:

POST OFFICE DEPARTMENT,
OFFICE OF THE PURCHASING AGENT,
Washington, June 12, 1911.

Mr. C. W. NORTON,
Manager the Shaw-Walker Co., Washington, D. C.

SIR: With further reference to your letter of the 8th instant, relative to specifications for filing sections, I beg leave to quote the following communication from the acting chief clerk of this department, dated June 10, to whom the matter was referred:

"Receipt is acknowledged of your letter of the 9th instant quoting the contents of a communication dated June 8, 1911, received by you from C. W. Norton, manager of the Shaw-Walker Co., of this city, with reference to the proposals recently invited on filing sections for the department.

"With reference to the 75 horizontal units in oak asked for, Mr. Norton states as follows:

"We note that there are certain sections specified to be of metal interiors, slides, and followers on the drawers and call your attention to the fact that we do not manufacture sections constructed in such a manner and know of only one concern which does, and that from reasons of economy rather than adding to the merits of their goods. It would therefore appear that there could be no competitive bidding on this item unless you modify your specifications to allow of lines made in regular manner by other legitimate concerns."

"With reference to the 108 metal units of two drawers each the following is quoted:

"As to the alternate item of all-metal units, it appears inconsistent that three-drawer units should be specified in the oak and two-drawer in the metal, and again gives an undue advantage to the concern above mentioned and eliminates concerns who manufacture stock sections of three drawers."

"The unwarranted insinuations contained in the language quoted does not justify the courtesy of a reply, but this fact may be overlooked in order that Mr. Norton may receive certain much-needed information along the lines of the business in which he is engaged.

I want to say that, judging from the evidence brought out at this hearing, I feel that Mr. Norton was justified in assuming that the specifications were prepared so that but one firm could bid, and thereby warranted in making the insinuation, so called [reading further]:

"Metal interiors were asked for in the three-drawer units because of the fact that it has been the experience in the use of filing devices so constructed in the public buildings throughout the country that they are much superior to others, combining certain advantages of all-metal units with cheapness in cost. The fact that the Shaw-Walker Co. does not construct its filing devices in this manner is of no concern to the department, in view of the fact that at least two concerns are in a position to bid on this grade of construction.

"Mr. Norton points out the inconsistency of asking for two-drawer units in metal while the three-drawer units were asked for in oak and claims that an undue advantage is thus given to one concern, which is said to have been 'above mentioned,' but in reality was not. The seeming inconsistency on the part of the department, which I shall explain away, is incomparable with his own, in view of the fact that the Shaw-Walker Co. makes no metal units of any size or character. His gratuitous solicitude in a matter that apparently would be of concern only to other manufacturers, does not justify any consideration of such a complaint when made by him. However, it may be useful on future occasions for him to know that at least four concerns are able to bid on all-metal units with two drawers as a stock line. In this connection it may be added that the experience of manufacturers of metal filing devices has been that in order to build a three-drawer unit sufficiently rigid to prevent sagging when all the drawers are full it is necessary to use such heavy material that the unit is too cumbersome for practical purposes. In consequence of this fact practically all manufacturers have overcome this objection by adopting a two-drawer unit as their stock article."

Respectfully,

J. A. HOLMES,
Purchasing Agent.

Mr. REDFIELD. Mr. Chairman, as I must leave shortly, there are one or two questions I would like to ask now, the purpose of which will appear hereafter.

Mr. WEED. Who was the disbursing officer of the division of accounts?

Mr. WEED. In the division of accounts?

Mr. REDFIELD. Yes.

Mr. WEED. I suppose you mean the disbursing officer for the department—Mr. Mooney.

Mr. REDFIELD. Mr. Mooney?

Mr. WEED. Yes, sir.

Mr. REDFIELD. What is the name of the agent of the Royal typewriter in Washington?

Mr. WEED. Mr. Conrard.

Mr. REDFIELD. He was formerly the chief clerk in the Post Office Department, was he not?

Mr. WEED. Yes, sir.

Mr. REDFIELD. That is all.

The CHAIRMAN. We adjourn here until 10 o'clock to-morrow morning.

(Whereupon, at 11.55 o'clock a. m., the committee adjourned until to-morrow, Thursday, June 22, 1911, at 10 o'clock a. m.)

COMMITTEE ON EXPENDITURES IN
THE POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Thursday, June 22, 1911.

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.

The following members of the committee were present: Messrs. Ashbrook (chairman), Alexander, Redfield, McCoy, Slemph, and Towner.

**TESTIMONY OF MR. THEODORE L. WEED, CHIEF CLERK OF THE
POST OFFICE DEPARTMENT—Continued.**

The CHAIRMAN. We will continue the examination of Mr. Weed. Mr. Weed, when you prepared the specifications for the first proposals, I will ask you whether or not you consulted with the expert, Mr. Stevens, of the Supervising Architect's Office, as to the preparation of the specifications?

Mr. WEED. No, sir.

The CHAIRMAN. Did you have any conversation with him at all previous to the time that the specifications were prepared and sent out?

Mr. WEED. Yes, sir; of a general nature. What I mean is that we had no conversation that related particularly to the purchase of these files, but in a general way I have talked with him off and on, for, you might say, several months, in which the general subject of files and the different classes of files were discussed.

The CHAIRMAN. The specifications were then prepared by you in *your office*?

Mr. WEED. Yes, sir.

The CHAIRMAN. And you did not consult with the representatives of the concern in this city, who manufacture that device solely, in the preparation of these specifications?

Mr. WEED. I did not.

Mr. McCoy. A letter was read her yesterday, Mr. Weed, to the Shaw-Walker Co. Where is that letter?

Mr. WEED. I have a copy of it here. It is not, however, an exact copy of the letter Mr. Holmes read in which the Shaw-Walker Co.'s letter was copied, I think.

The CHAIRMAN. This letter that was read yesterday to the Shaw-Walker Co., signed by Mr. Holmes, was a copy of a letter addressed to him by the acting chief clerk, as I understand it.

Mr. WEED. Yes, sir.

Mr. McCoy. Do you know who prepared or dictated that letter?

Mr. WEED. Yes, sir.

Mr. McCoy. Who did?

Mr. WEED. Mr. Davis, the acting chief clerk.

Mr. McCoy. And who signed that letter? Was it signed by Mr. Davis?

Mr. WEED. The letter to Mr. Holmes, on which he based his letter to the Shaw-Walker Co., was signed by Mr. Davis, the assistant chief clerk, who was acting during my absence from town.

The CHAIRMAN. One would naturally infer from reading the letter to the Shaw-Walker Co., which is signed by Mr. Holmes, that it was written by him. There is nothing in it, so far as I have been able to discover, that indicates that it was written by any other person. Quotations are made from the letter from the Shaw-Walker Co. in this letter. There is nothing in it to indicate that some other person had written it.

Mr. McCoy. In other words, as I understand the matter, Mr. Holmes was not responsible for the contents of the letter that went to the Shaw-Walker Co., but was simply passing on to the Shaw-Walker Co. what had been written to him (Mr. Holmes) by Mr. Davis.

Mr. WEED. Of course, as I stated yesterday, I had never seen Mr. Holmes's letter; but, of course, Mr. Holmes is here and could answer that question accurately.

MR. J. A. HOLMES, PURCHASING AGENT OF THE POST OFFICE DEPARTMENT—Recalled.

Mr. HOLMES. Mr. Norton came to see me and made substantially the same statement as is contained in his letter. I told him to write the letter and I would see what could be done and that his letter would receive attention. Then I wrote to the acting chief clerk of the department, quoting Mr. Norton's letter. I said:

I have notified Mr. Norton that the matter is receiving attention, and will thank you to advise me whether or not it will be possible to meet his wishes, so I may make a definite reply.

This was the letter in which I transmitted the protest of Mr. Norton to the acting chief clerk and in that letter I made this statement I have just read.

Mr. McCoy. And then you received a letter from the acting chief clerk and you simply transmitted that to Mr. Norton?

Mr. HOLMES. Yes, sir.

The CHAIRMAN. I would like to ask you, Mr. Holmes, if, from a reading of this letter which you addressed to the Shaw-Walker Co., one would not assume that it was dictated and written by you?

Mr. HOLMES (reading from letter) :

With further reference to your letter of the 8th instant, I beg leave to quote the following communication from the acting chief clerk of the department.

Mr. McCoy. I want to say, frankly, that my recollection of Mr. Holmes as a witness inclines me to believe that he would not write such matter as that.

The CHAIRMAN. And I had the same opinion of him.

TESTIMONY OF MR. WEED—Continued.

Mr. McCoy. Did not Mr. Andrews represent the Canton Art Metal Co.?

Mr. WEED. I think not; because the Canton Art Metal Co. submitted a bid of its own.

Mr. McCoy. Did Mr. Andrews appear in any way, or did he write a letter indicating that he was acting for the Canton Art Metal Co.?

Mr. WEED. No, sir; not to my knowledge. I have letters that will enable me to answer that question later.

Mr. McCoy. Were these proposals given out with the purpose of calling for bids for filing units to be furnished for the year, or any specified time during any year, or during the period of a year?

Mr. WEED. They were to be furnished, as the proposal states, some time after July 1, but they were intended only for use at that time, and not as a system which might be extended year after year.

Mr. McCoy. What I mean is this: Was it the purpose to call for all the specified units at once, or to call for them from time to time during the year as they were needed?

Mr. WEED. Probably at once; because, as I stated yesterday, there was a large accumulation of files relating to the appointment of fourth-class postmasters which required attention.

Mr. McCoy. Now, did you confer with anybody, either before or after these proposals were drawn, with reference to the fire-resisting powers of metal and wood construction in filing cases or office devices?

Mr. WEED. No, sir.

Mr. McCoy. Did you ever undertake to inform yourself as to whether a combination of metal and wood device might not be even more combustible in a way than the straight wood filing device?

Mr. WEED. I had every intention of doing so; because I felt that there was quite a doubt on that point, and I meant to imply as much during the hearing yesterday when I stated that that particular item was a feeler. I did not know much about these particular devices. I had seen the Globe-Wernicke semisteel devices, which were no more expensive than the all-wood sections. They had a great deal of metal construction in their makeup, and it seemed to me they were better; but as to their fire-resisting quality I did not know, and, of course, that is difficult to determine without an actual

Mr. McCoy. Were you ever connected with the Department of Commerce and Labor?

Mr. WEED. Yes, sir.

Mr. McCoy. In what capacity?

Mr. WEED. Chief clerk and private secretary to the Secretary.

Mr. McCoy. Who was the commissioner at the time you were connected with the department?

Mr. WEED. When I was chief clerk?

Mr. McCoy. Yes, sir.

Mr. WEED. I was appointed by Secretary Oscar S. Straus, but served practically all of the time under the present Secretary, Mr. Charles Nagel.

Mr. McCoy. Was Mr. Hitchcock, the present Postmaster General, commissioner there at any time?

Mr. WEED. No, sir. He was formerly the chief clerk.

Mr. McCoy. He was the chief clerk?

Mr. WEED. He was the first chief clerk of the Department of Commerce and Labor.

Mr. McCoy. Was he acting in that capacity while you were there?

Mr. WEED. Yes, sir. I was his secretary when he was the chief clerk of the department.

Mr. McCoy. Is it not true that in the offices of the Department of Commerce and Labor there is almost no furniture or office devices of any kind except those of the Globe-Wernicke Co. in use?

Mr. WEED. Do you mean the offices of the Secretary or in the entire department?

Mr. McCoy. I mean the offices of the Secretary.

Mr. WEED. In the office of the Secretary I should say that practically all of the filing devices are of the Globe-Wernicke make.

Mr. McCoy. Was it not in that department—that is, in the Secretary's office—that you and Mr. Hitchcock were employed by the Government?

Mr. WEED. Yes, sir.

Mr. McCoy. You were in the office of the Secretary of Commerce and Labor?

Mr. WEED. Yes, sir.

Mr. McCoy. Do you know whether there was any competition at the time when these offices were fitted out?

Mr. WEED. I do not.

Mr. McCoy. Do you know whether they were fitted out to any considerable extent while Mr. Hitchcock was there, or while you were there?

Mr. WEED. Mr. Hitchcock was the first chief clerk of the Department of Commerce and Labor, and the burden of organization practically fell on his shoulders, and, of course, to the extent that these new bureaus were created by Congress and required furnishing, it was done under his administration. As the needs of the service grew, the purchase of furniture increased, and this to that extent was under a subsequent administration.

Mr. McCoy. Is Mr. Stevens the man whom you designated as an expert in the Treasury Department in these matters?

Mr. WEED. Yes, sir.

Mr. McCoy. And what do you know about his business experience?

Mr. WEED. I know that he is the inspector of furniture in the Division of Equipment.

Mr. McCoy. What was he before he became inspector of furniture?

Mr. WEED. I have no idea.

Mr. McCoy. Do you know whether or not he ever worked in a factory or was connected with any company in that business?

Mr. WEED. I do not.

The CHAIRMAN. I want to inquire, referring to these semisteel devices manufactured by the Globe-Wernicke Co., as to whether or not this company has any catalogues issued or any descriptive advertising matter that would describe these particular devices?

Mr. WEED. I inquired this morning, and found out that they do not.

The CHAIRMAN. You say they have none printed?

Mr. WEED. So they told me.

The CHAIRMAN. Do you think it would be possible for you or any other person possessing the same qualifications and ability that you possess to prepare these specifications without having something before you from which to make them up? In other words, how could you prepare these specifications yourself unless you had something before you on which to prepare them?

Mr. WEED. In a general way, Mr. Ashbrook, filing sections now used conform to a standard pattern. For instance, there are three drawer sections in the vertical line and two drawer sections in the horizontal. I think there are two standard depths. One is 25 inches, and the other is 17 inches; but I am not certain at the moment. The bases and tops, which are separate, as you know, from the drawers, conform to certain standard measurements; the tops are about 3½ inches high and 25 inches deep; the bases are about 10 inches high and 25 inches deep. Now, of course, to that extent anyone who has had to do with the purchase of furniture could draw the specifications. These facts are well known to anyone having charge of such matters. When it comes to giving a technical description of these files and the construction that enters into the article, I frankly confess that I could not give it. I do not profess to be a furniture expert.

The CHAIRMAN. Then how did you get this information so you could describe the device in a technical way in your proposal?

Mr. WEED. I told you very frankly yesterday, Mr. Ashbrook, that the device had been called to my attention as something entirely new. When it was called to my attention, I had no idea that there was such a thing on the market; and with the idea of learning whether it would be to the advantage of the Government to purchase such a device, I decided to look into the question. I had but one place to go to see the files, and that was the Globe-Wernicke Co.'s store. That was the only place I could go to look for that particular device.

The CHAIRMAN. And while there inspecting that device, you made such memoranda as you felt you needed to properly describe that device in the proposal?

Mr. WEED. No, sir.

The CHAIRMAN. How did you get information from which to describe it in your proposal?

Mr. WEED. As I explained yesterday, when I determined to include the semisteel file in the proposal, I called in the assistant superintendent of buildings, told him what I had in mind, and directed him to

go to the Globe-Wernicke store and get a line on its manufacture so that we could advertise for it.

The CHAIRMAN. Then he went to the store of the Globe-Wernicke Co. and looked it over and prepared the specifications for you?

Mr. WEED. Yes, sir.

The CHAIRMAN. That clears that up?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Mr. Weed, whom have you consulted concerning this inquiry since yesterday, that is, since you were here yesterday?

Mr. WEED. I consulted Mr. Stevens last night.

Mr. REDFIELD. For what purpose?

Mr. WEED. I wanted to discuss with him the different companies which make these semisteel devices, and especially with respect to our previous talk in which he said that a number of other companies were making it, with slight modifications. I was anxious to find out what the slight modifications were, and, as a result of that talk last night, it seems, so far as he knows, there is still only one company that does make such a semisteel device as this. A number of other companies make it in cap size, which is a larger size, but he states, so far as his information goes, that they do not make it in the letter size.

Mr. REDFIELD. Did you consult with him in reference to the matters inquired about by the committee?

Mr. WEED. Yes, sir; as I naturally would, desiring to obtain all the facts I could on the questions asked by the committee. It seems only natural that I should talk to him.

Mr. REDFIELD. Did it not occur to you, as a buying officer spending public money, that large and responsible manufacturers other than the Globe-Wernicke Co. would be the best exponents of the goods they made, and that, therefore, when you desired to find something in this line the normal and simple thing to do would be to consult such other concerns, for example, as the Library Bureau or the Yawman & Erbe Co.?

Mr. WEED. I felt in a sense that it would be a waste of time to do so, because each and every concern, whether manufacturing dependable goods or nondependable goods, would describe his articles in the most glowing terms possible. It seemed to me that the safest and best way to proceed was to consult the expert whom Congress has provided for that very purpose, namely, the furniture expert in the Treasury Department. I would not care to submit such a matter as that to the dealers.

Mr. REDFIELD. Then, in this instance, why did you consult the Globe-Wernicke Co.?

Mr. WEED. I did not consult them in the way I think you mean. You understand that was the first device of the kind that had come to my attention.

Mr. REDFIELD. If I understand correctly your answer to my last question, it was your judgment that the way to get at the fullest knowledge of the facts was not to consult the different makers, but to consult this expert?

Mr. WEED. Yes, sir.

Mr. REDFIELD. But you did, as a matter of fact, either directly or through your subordinates, consult one of these makers, as well as the expert. Why did you do that?

Mr. WEED. Because at that time to my knowledge there was no other dealer manufacturing this entirely new filing device.

Mr. ALEXANDER. Is it true, then, that the expert in the Treasury Department, after examining the merits of these different devices, has come to the conclusion that the Globe-Wernicke people are the only company that manufacture a device that would be acceptable to the department, and for that reason did not look any further?

Mr. WEED. No, sir; he did not reach that conclusion. He divided filing companies into two classes; that is, what Mr. Stevens terms the dependable and nondependable classes. As I stated yesterday, the dependable class included the Globe-Wernicke Co., the Library Bureau, and Yawman & Erbe.

Mr. ALEXANDER. But your specifications were so formulated that the Library Bureau and Yawman & Erbe would not have a chance to bid on them. Is not that true?

Mr. WEED. Not exactly. Mr. Davis, the assistant chief clerk, tells me that Mr. Beck, of the Library Bureau, called at the office a few days ago and said that he could bid on the specifications, and would do so. I questioned Mr. Davis very closely on that point last night, and he is quite positive that Mr. Beck so stated. The Library Bureau did not bid, but for what reasons, of course, I can not say.

Mr. ALEXANDER. They had a representative in the city?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Who is he?

Mr. WEED. Mr. Walcott. I want to say that these specifications were purposely worded to inform all prospective bidders that the matter would not be considered until July. I thought at the time that they were fairly drawn, because, while I realized that the first paragraph refers to the Globe-Wernicke files, it nevertheless gave all other competitors a chance to bid if they desired to construct such devices.

Mr. REDFIELD. How?

Mr. WEED. Because, with a few exceptions, the specifications are standard.

Mr. REDFIELD. Is not that like saying a normal man, but a man who has a nose 3 inches long? That would be only one exception after all, but it would be a very important one. You say you admit certain exceptions; that it is a standard device with this exception; but if there is only one exception that would bar competing manufacturers from bidding, would it not?

Mr. WEED. I think the manufacturers, if they manufacture a variety of articles, could, without much difficulty, within a reasonable amount of time manufacture a device that would conform to this specification, and ample time was given.

Mr. REDFIELD. I want to ask you another question. Suppose you consider yourself out of the public service, and in my employ to buy goods for me; I have put upon you all the responsibility of buying the best devices for the purpose that you can get at the price you can get them for. You come to me and say: "I have been to see the expert of another branch of the business, and I have been to see, or I have caused somebody else to see, one of the manufacturers. I have not seen two or more of the largest dealers in the line; I have not consulted them at all, but my conversations are so and so." Do you think you would have done your duty by me when you had treated my instructions in that way?

Mr. WEED. It is difficult to answer, Mr. Redfield, because the case is not at all analogous. It seems to me if I were working for you I would have acted as I did in this matter. I had the recommendation of the highest furniture authority under the Government, and I would have acted the same way. It was my belief that this proposal opened competition to anyone who wished to compete, and if what Mr. Davis says about the Library Bureau is true, their representative did think that they were in a position to compete.

Mr. TOWNER. Mr. Weed, will you state very briefly what was the object of letting these bids; that is, what you desired?

Mr. WEED. In the Post Office Department we have 40,000 files relating to the appointment of fourth-class postmasters, filed under the old document system—that is, thrice folded in wooden files. The Postmaster General wished them transferred to the flat-filing system and placed in steel files, and directed me to look into the question of purchasing steel files to accommodate the records.

Mr. TOWNER. I believe it is considered as settled by yourself and by the department that it is desirable to secure, if possible, for this system files of steel construction, or approximately as near to that as you can obtain?

Mr. WEED. Yes, sir.

Mr. TOWNER. Then, if by any means you could obtain a system of filing devices of all steel construction which would be as cheap, or approximately as cheap as wood, you would certainly desire to obtain them?

Mr. WEED. Yes, sir.

Mr. TOWNER. You had heard, as I understood you to say, that there was a combination of wood and steel construction manufactured?

Mr. WEED. Yes, sir.

Mr. TOWNER. And desiring to obtain prices on that construction also, you tried to ascertain as nearly as you could what were the particular specifications that would comport with that particular construction so that you could obtain prices for that particular thing?

Mr. WEED. Yes, sir.

Mr. TOWNER. But at the same time you submitted the all-steel construction work and received bids upon the steel work also?

Mr. WEED. Yes, sir.

Mr. TOWNER. I presume from what you have already stated, that if you could have obtained, or can obtain, from the bids you received the all-steel construction cases, that there would be no hesitancy on your part to adopt them rather than the all-wood or part-wood case?

Mr. WEED. Yes, sir.

Mr. TOWNER. There was nothing in this bidding, or the submission of this specification for bids, that bound you or the department to purchase of anybody, was there?

Mr. WEED. No, sir.

Mr. TOWNER. You had the right to reject any or all bids?

Mr. WEED. Yes, sir.

Mr. TOWNER. As I understand from your statement, this was for the purpose of obtaining knowledge of the prices of these various constructions?

Mr. WEED. Yes, sir.

Mr. TOWNER. And, as a result of this bidding, you have before you from these responsible companies bids that are based upon all-wood construction, bids based upon part-wood and part-metal construction, and bids that are based upon all metal construction, have you not?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Right at that point, I do not want that to go into the record without question. I desire to challenge that statement.

Mr. TOWNER. I would prefer not to be interrupted at this time.

Mr. ALEXANDER. I do not want such a statement as that to go into the record without challenge.

Mr. TOWNER. You have the right to save your exception and to make a memorandum of it.

Mr. ALEXANDER. I do not want a statement like that in the record in the face of the facts, and I challenge its correctness, even from the standpoint of the witness. I will challenge the statement now and call attention to it later.

Mr. TOWNER. I think that is the proper way to do it instead of interrupting me in the course of my examination.

Mr. ALEXANDER. I do not know of any reason why I should not do so.

Mr. TOWNER. I think I would not interrupt you under the same circumstances.

Mr. ALEXANDER. If the gentleman requests not to be interrupted, I will not do so.

Mr. TOWNER. I do so request, and I think the proper method of examination is for one gentleman to examine the witness until he gets through.

Mr. ALEXANDER. That has not been the course here at all.

Mr. TOWNER. I want this statement to be put upon the record—that is, that this matter has become so involved and there have been so many statements made that I desire an opportunity, if possible, to ask these questions in such a way as to bring out at least what I conceive to be the truth regarding this matter.

Mr. ALEXANDER. The truth is what we all want.

Mr. TOWNER. Now, Mr. Weed, I want to call your attention to the way in which these bids were submitted. When you asked for 75 horizontal units, that was upon the three-drawer proposition, was it not?

Mr. WEED. Yes, sir.

Mr. TOWNER. So that it meant that a unit would contain 225 drawers, did it not?

Mr. WEED. Yes, sir.

Mr. TOWNER. That is the entire bid that was to be submitted?

Mr. WEED. Yes, sir.

Mr. TOWNER. Now, when you ask for all-metal construction, you ask for 108, which would contain approximately the same number, or 216 drawers?

Mr. WEED. Yes, sir.

Mr. TOWNER. The object or purpose of that, I judge, would be, as nearly as possible, to compare the two in price?

Mr. WEED. Yes, sir.

Mr. TOWNER. Each one of these sections is made up of three component parts, as I understand it; that is, the section which may consist either of two or three drawers, the base, and the top. Am I correct about that?

Mr. WEED. Yes, sir.

Mr. TOWNER. And these bids, as I understand it, were made up—at least some of them, and perhaps all of them—upon that basis; that is, so much for the section, so much for the base, and so much for the top?

Mr. WEED. Yes, sir.

Mr. TOWNER. I now call your attention, in order that it may go into the record, to the bid of Fred S. Lincoln, which was an all-wood bid.

Mr. WEED. Substantially.

Mr. TOWNER. This shows that he made a bid on sections of three for \$17.65 each; for the base, at \$3.90 each, and for the top, at \$5.10 each. Am I correct about that?

Mr. WEED. Yes, sir.

Mr. TOWNER. Now, as the exhibit that you had yesterday—that is, the Fred S. Lincoln bid—was not this divided into these component parts, but was given here in toto as for the 75 horizontal units, which would include all these sections, tops, and bases, and the total amount of which was \$1,468.75?

Mr. WEED. Yes, sir.

Mr. TOWNER. I simply call your attention to this for the purpose of asking you whether or not the bids upon these others were submitted in the same form.

Mr. WEED. The other companies' bids were submitted in that form.

Mr. McCoy. In what form?

Mr. TOWNER. Not on the total amount, but in divisional form.

Now, this wood bid I have called your attention to of Fred S. Lincoln—sections, \$17.65; bases, \$3.90; and tops, \$5.10—would afford a unit of comparison, would it not, of perhaps a better character than any total figures that could be given?

Mr. WEED. I think so.

Mr. TOWNER. For this reason, as I judge, that there is, of course, some difference between the three-unit and the two-unit comparisons?

Mr. WEED. Yes, sir.

Mr. TOWNER. And in construction?

Mr. WEED. Yes, sir.

Mr. TOWNER. I believe that nearly all of the exclusive metal construction filing device manufacturers prepare as their stock devices the two-unit system, do they not?

Mr. WEED. Yes, sir.

Mr. TOWNER. And did you not specify it in that form?

Mr. WEED. I did.

Mr. TOWNER. And did you not receive bids from all these people in that form?

Mr. WEED. I did.

Mr. TOWNER. Now, when this proposal was submitted to these men, you submitted it to Fred S. Lincoln, to the Globe-Wernicke Co., to H. W. Andrews, to the Art Metal Construction Co. (and also to the

Globe-Wernecke Co. for the all-steel bid as well as for the wood and steel bid), to the General Engineering Co., the Canton Art Co., the Shaw-Walker Co., the Yawman & Erbe Co., the Library Bureau, and W. B. Moses & Sons. Did you present these proposals to all these companies?

Mr. WEED. Yes, sir.

Mr. TOWNER. And you received bids from all these companies except from the Shaw-Walker Co., the Yawman & Erbe Co., the Library Bureau, and W. B. Moses & Sons, did you not?

Mr. WEED. Yes, sir.

Mr. TOWNER. I want to call your particular attention to these bids. As I understand it, the Globe-Wernicke Co. bid for wood and steel construction for section unit, \$18.50; for the base, \$6; for the tops, \$6.50; is not that true?

Mr. WEED. Yes, sir.

Mr. TOWNER. And they submitted for their steel bid a section bid \$19 for all-steel section, \$7 for the base, and \$6 for the top; is not that correct.

Mr. WEED. Yes, sir.

Mr. TOWNER. And the Art Metal Construction Co. made a bid of \$19 for all-steel section, \$7 for the base, and \$6 for the top; is not that correct?

Mr. WEED. Yes, sir.

Mr. TOWNER. And the General Fireproofing Co. submitted two bids, one for oak finish and one for olive finish; the oak finish being for all-steel construction cases; sections, \$15.50; bases, \$6.80; and tops, \$4. Is that correct?

Mr. WEED. Yes, sir.

Mr. TOWNER. And the General Fireproofing Co. submitted for their olive finish, for section, \$14.50; for base, \$6.80; and for top, \$4. Is that correct?

Mr. WEED. Yes, sir.

Mr. TOWNER. And the Canton Art Metal Co. made an all-steel bid, for section, \$13.95; for base, \$3; and for top, \$2. Is that correct?

Mr. WEED. That is correct.

Mr. TOWNER. Now, Mr. Weed, I want to call your attention to what seems to me to be this fact: For instance, you have already told me that you believed that the department desires to secure, if they can, the all-metal device in preference to the all-wood or part-wood device. I want to call your attention to the fact that the bids that were submitted by the Globe-Wernicke Co. for sections are \$18.50; that is, for wood and steel sections, while the General Fireproofing Co. submits a bid for all-steel sections of \$15.50. The base of the Globe-Wernicke Co. is \$6, while the General Fireproofing Co. submits a bid of \$6.80, being 80 cents higher upon that; the top of the Globe-Wernicke Co., of wood and steel construction, is \$6.50 while the top of the General Fireproofing Co. is \$4. Does not that show that the all-metal devices, under these bids that were submitted to you in this competition, are as cheap or cheaper, section by section, top by top, and base by base, on the whole, as the part-metal and part-wood construction?

Mr. WEED. Yes, sir.

Mr. TOWNER. So the department, or yourself acting for the department, would not for a moment think of purchasing these devices

of wood, or all wood, when you have the opportunity of securing as cheaply those of all-metal construction?

Mr. WEED. The department would not; no, sir.

Mr. TOWNER. The lower all-steel bid, I notice, is submitted by the Canton Art Metal Co. Is that a good company?

Mr. WEED. So far as my information goes, I should say it is.

Mr. TOWNER. So that really, as a result of this bidding that you have invited, the department has secured prices which, if they desire, they can avail themselves of for all-metal construction that will be approximately, at least, as cheap as all-wood or part-wood-and-part-metal construction?

Mr. WEED. Yes, sir.

Mr. TOWNER. Is there anything to prevent the department at any time from purchasing these metal cases from the General Fireproofing Co. or the Canton Art Metal Co.?

Mr. WEED. No, sir.

Mr. TOWNER. Has anything been done at any time that would in any way commit you or the department to the purchase from the Globe-Wernicke Co. of any of their so-called combination wood-and-steel devices?

Mr. WEED. No, sir.

Mr. TOWNER. You had no purpose or intention of acting upon any of these bids until after the 1st day of July?

Mr. WEED. No, sir.

Mr. TOWNER. And have not done so?

Mr. WEED. No, sir.

Mr. TOWNER. I believe there was something you wanted to explain further, Mr. Weed, about this letter that was referred to by Mr. Redfield the other day. I think it was in regard to one of these bids.

Mr. WEED. Yes, sir.

Mr. TOWNER. I do not know how to identify it; it was not marked as an exhibit, but I will identify it by calling it the paper that was referred to by Mr. Redfield, in which the bids of the various companies were given in a total or lump sum, under the heading of four bids. There is no rule of comparison that could be made from that, is there, Mr. Weed?

Mr. WEED. No, sir.

Mr. TOWNER. I think that is all.

Mr. ALEXANDER. Mr. Weed, in answer Judge Towner, as I understood you, you stated that you have received bids on this specification for this device from several different firms. Is that correct?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Now please indicate what firm made you a bid on these specifications other than the Globe-Wernicke Co.; that is, where the bid conforms to the specifications.

Mr. WEED. The proposal is in two parts, and I ask if you mean the first part relating to the purchase of 75 sections? Otherwise, I can not answer the question.

Mr. ALEXANDER. Please indicate to the committee what companies other than the Globe-Wernicke Co. have made bids for the 75 horizontal units that conform to the specification.

Mr. WEED. No company strictly conformed.

Mr. ALEXANDER. What companies have made bids that conform to the proposals for the 108 units, as specified here?

Mr. WEED. The Globe-Wernicke Co., the Art Metal Construction Co., the General Fireproofing Co., and the Canton Art Metal Co.

Mr. ALEXANDER. Did they all conform to the specifications?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Strictly or with modifications?

Mr. WEED. I think strictly.

Mr. ALEXANDER. Your attention was called to the Lincoln bid; is that for all-wood construction?

Mr. WEED. I think not entirely.

Mr. ALEXANDER. It does not conform to the specifications?

Mr. WEED. No, sir.

Mr. ALEXANDER. And bids for the filing device that he proposes to furnish are not called for by your specifications, or it would not be considered in passing on this question. Did your specifications call for two and three unit systems?

Mr. WEED. Two and three drawer systems.

Mr. ALEXANDER. Did they call for two and three drawer systems?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. I call your attention to the 75 horizontal units, letter size, each unit having three drawers. That is the only specification relating to the 75 horizontal units, is it not?

Mr. WEED. Yes, sir.

Mr. ALEXANDER. Then are you correct when you say that your proposal calls for bids on two and three drawer systems?

Mr. WEED. I thought you referred to the entire proposal.

Mr. ALEXANDER. I am now talking about the 75 horizontal units.

Mr. WEED. Not for the 75 horizontal units.

Mr. ALEXANDER. So that you have no bids for the 75 horizontal units, letter size, each having three drawers, except from the Globe-Wernicke people?

Mr. WEED. No bids in strict conformity with the specifications except from the Globe-Wernicke Co.

Mr. ALEXANDER. Who did you say were the dependable companies, according to the advice of Mr. Stevens, the expert of the Treasury Department?

Mr. WEED. The Globe-Wernicke Co., the Library Bureau Co., and Yawman & Erbe Co.

Mr. ALEXANDER. They were the dependable houses, but the General Fireproofing Co. is on the nondependable list, is it not?

Mr. WEED. No, sir.

Mr. ALEXANDER. Are they simply dependable bidders on wood devices, steel devices, or semisteel devices?

Mr. WEED. That applies in so far as it relates to all-wood and all-steel devices.

Mr. ALEXANDER. Then the General Fireproofing Co. is not on the dependable list?

Mr. WEED. It was not given to me on either list, although there is a report here from the Division of Equipment in the Treasury Department, commenting on the files of the General Fireproofing Co., which I would like to read and insert in the record. It reads as follows:

The line has double exterior case and double front insert, except document file, which to the department is one of the most important sections. The backs ~~are~~ thickness. The construction generally folded and riveted. The ~~is~~elves are not rigid, but are of very light construction. Vertical

letter and cap files have steel roller separates at bottom of sides. Storage cases have doors of single thickness. Reducing strips are a separate unit. It is understood that the horizontal line is to be discontinued and that an improved line is to be brought out. The plain color finish of the samples shown is of good grade. This office has had no experience with this line, but it is considered good.

Mr. Stevens did not include it.

Mr. ALEXANDER. You have had time to consider all these bids, and it is your deliberate opinion that the Globe-Wernicke Co. is entitled to this contract?

Mr. WEED. I have not taken up the bids for consideration at all.

Mr. ALEXANDER. Have you any opinion to express in answer to that question?

Mr. WEED. I have not.

Mr. ALEXANDER. Do you regard the General Fireproofing Co.'s bid as the better bid, or do you regard them as in competition with the Globe-Wernicke Co. at all for this device called for in your specification?

Mr. WEED. So far as my information goes, I consider them practically all in competition. I have not considered this matter, and I would like to state to the committee why—in justice to myself—I have not done so. For the past two weeks, until long after midnight, my time has been devoted to the work of getting ready for the postal-savings depositories that are to go into the 50 large cities of the United States shortly after July 1, and it was physically impossible for me to take up this question of supplies when that matter was pending. For that reason I have not had the slightest opportunity to consider these bids.

Mr. ALEXANDER. But you have no other bids pending—that is, one regarded by the expert of the Treasury Department as a dependable bidder?

Mr. WEED. Only the Globe-Wernicke Co.

Mr. ALEXANDER. Is it a fact that the Library Bureau and these other concerns that are classed as dependable have not submitted bids simply because they could not conform to the specifications?

Mr. WEED. I do not know that with respect to the Library Bureau, because, as I stated, Mr. Beck, their representative, told the assistant chief clerk—

Mr. ALEXANDER (interposing). Did you hear him tell that?

Mr. WEED. I was out of the city.

Mr. ALEXANDER. Then do not state that.

Mr. WEED. I am advised that such a statement was made—that is, that they could bid and would do so. That is all the information I have on the subject.

Mr. McCoy. Was any date fixed for the submission of these bids?

Mr. WEED. Yes, sir.

Mr. McCoy. What was the last date?

Mr. WEED. They were to be opened at 2 o'clock p. m., June 16, 1911.

Mr. ALEXANDER. The time is past.

Mr. McCoy. When did he call your attention to the fact that the representative of the Library Bureau had stated they could bid?

Mr. WEED. I do not remember when he called my attention to it.

Mr. McCoy. When did he first hear of it?

Mr. WEED. The Library Bureau representative made that statement a day or two before the bids were opened.

Mr. McCoy. What did you do, if anything, when you heard that fact; that is, that the Library Bureau could bid?

Mr. WEED. Nothing.

Mr. McCoy. Did you ask whether the Library Bureau had actually submitted a bid?

Mr. WEED. Yes, sir.

Mr. McCoy. You did ask that?

Mr. WEED. Yes, sir; I asked Mr. Davis.

Mr. McCoy. What did he tell you?

Mr. WEED. That they had not done so.

Mr. McCoy. Did you send word to them that you would like for them to submit a bid?

Mr. WEED. No, sir; the bids had been opened.

Mr. McCoy. Did you hear before the bids were opened that the Library Bureau representative had said that they could bid?

Mr. WEED. Not to my knowledge.

Mr. McCoy. Did you hear it?

Mr. WEED. I think not.

Mr. McCoy. Do you know when Mr. Davis, or whoever it was that informed you, got the information from the Library Bureau?

Mr. WEED. I think it was a day or two before the bids were opened.

Mr. McCoy. And he did not communicate that to you until after the bids were opened?

Mr. WEED. No, sir: not to my recollection.

Mr. REDFIELD. Mr. Weed, you know. I presume, that manufacturers, in making up this class of goods, work to certain standards; that their tools and their fixtures are all made in their shops to certain standards and uniform sizes, and that they have to do so in order to get out their work, not only uniformly, but economically. Do you know that a change in dimension, however slight, would practically throw a manufacturer out of the bidding for the reason that it would require him to depart from his regular methods and adopt special methods which would be much more expensive?

Mr. WEED. I am not informed on that point. Mr. Redfield.

Mr. REDFIELD. Pardon me, but is it not your duty to be informed on points of that character when asking for bids?

Mr. WEED. I think not. I do not profess to be a furniture expert, knowing the inner workings of the manufacturing companies.

Mr. REDFIELD. Is that not one of the fundamental facts that a buyer must know?

Mr. WEED. I do not know. I am not a buyer.

Mr. McCoy. Do you mean not a payer or a buyer?

Mr. WEED. I mean a buyer.

Mr. REDFIELD. I want to ask this question. You went to Mr. Stevens to consult him—is that right?

Mr. WEED. I have consulted him frequently.

Mr. REDFIELD. You consulted him frequently?

Mr. WEED. Yes, sir.

Mr. REDFIELD. And only as lately as last evening?

Mr. WEED. Yes, sir.

Mr. REDFIELD. Did he or did he not express a preference in these matters for doing business with the Globe-Wernicke Co.?

Mr. WEED. He did not express such a preference for doing business with the Globe-Wernicke Co. although he did express his

preference, in a general way, for the Globe-Wernicke file, based, substantially, on the report.

Mr. McCoy. Which file?

Mr. WEED (continuing). On the report submitted to the Board of Award, by the Division of Equipment, on July 8, 1910.

Mr. REDFIELD. Now, will you kindly answer Mr. McCoy's question, as to just what you mean by a file, which file?

Mr. WEED. I had particular reference to the all-wood file and the all-steel file, which are the only two files covered by his report. I think at that time the combination file was not in existence.

Mr. REDFIELD. Have you ever heard Mr. Stevens's impartiality questioned?

Mr. WEED. I never have.

Mr. REDFIELD. You know nothing of any public records wherein his impartiality is questioned?

Mr. WEED. I do not.

Mr. REDFIELD. Have you ever investigated to see whether that ever has been questioned or not, publicly, and by responsible parties?

Mr. WEED. I have not.

Mr. REDFIELD. You know of no public and written complaints against his impartiality?

Mr. WEED. I do not.

Mr. REDFIELD. Do you know anything to the effect that there has been asked a public investigation as to his partiality?

Mr. WEED. Not to my knowledge.

Mr. REDFIELD. You do not know those facts?

Mr. WEED. No, sir.

Mr. REDFIELD. You have been in fairly close touch with Mr. Stevens throughout this proposition, have you?

Mr. WEED. I should say that I have seen him three or four times in the course of the past three or four months.

Mr. REDFIELD. Is it not your duty, as an administrative officer, to know whether there are any such facts as have been suggested in my last few questions?

Mr. WEED. Since no intimation had ever reached me, I had no occasion to think of such a subject; it never occurred to me. He occupies a responsible position in the Treasury Department, and, so far as I know, enjoys the confidence of the officers there. But I do not know Mr. Stevens in a personal way at all.

Mr. REDFIELD. What I am getting at is simply this, Mr. Weed, whether you went about this thing in such a way as to get the broadest possible light, and to open the doors as widely as possible to every upright manufacturer to come in and inform you; or whether, as a matter of fact, it was done in the reverse way, and, consciously or unconsciously, you were putting yourself in the hands of perhaps somebody who was deeply prejudiced; whether the usual and ordinary safeguards for letting in everybody were observed? Now, are you prepared to say, as you look back over your testimony and look about the field at large for this line of work, that you did open the doors to every responsible man to come in and help you; are you prepared to say that?

Mr. WEED. Most emphatically, with respect to the all-steel construction; and, to the best of my knowledge, I did so with respect to

the semisteel files, which, I stated, was a new departure, and something about which I knew very little.

Mr. McCoy. Can you repeat the language of the Postmaster General when he told you to make inquiry in regard to filing devices for fourth-class post offices?

Mr. WEED. Substantially.

Mr. McCoy. What did he say to you?

Mr. WEED. That he was somewhat concerned by the fact that the appointment papers of fourth-class postmasters, numbering over 40,000, had not been placed in steel files, as had been done with the appointment papers relating to postmasters of the first, second, and third classes, and wished me to look into the subject with a view to making that change sometime after the first of the fiscal year.

Mr. McCoy. Is that substantially all that he said to you in that connection?

Mr. WEED. Substantially; yes, sir.

Mr. McCoy. Then why did you go about it to get any bids on part wood and part steel?

Mr. WEED. Because I felt, as an administrative officer, I had a perfect right to get bids on any proposition. In the final analysis, they all had to be submitted to the Postmaster General.

Mr. McCoy. But you consider that your administrative position calls upon you to exercise a judgment which you consider superior to that of the Postmaster General?

Mr. WEED. Not at all.

Mr. McCoy. He did not say anything to you about part metal and part wood, did he?

Mr. WEED. He did not say anything to me of a restrictive nature.

Mr. McCoy. But he did say to you to go and make an inquiry about all-metal cases, did he not?

Mr. WEED. I quoted the language substantially as I remember it.

Mr. McCoy. That is what he said?

Mr. WEED. I would like my answer read.

Mr. McCoy. Answer my question again.

Mr. WEED. Will you kindly read Mr. McCoy's question?

(The stenographer repeated the question, as follows:)

Mr. McCoy. But he did say to you to go and make an inquiry about all-metal cases, did he not?

Mr. WEED. He did not use the words "all metal."

Mr. McCoy. He just used the word "metal"?

Mr. WEED. Yes, sir.

Mr. McCoy. And there is a distinction in your mind between metal and all metal, is there?

Mr. WEED. There is not a distinction, Mr. McCoy; I do not mean it that way. I mean Mr. Hitchcock instructed me, in general terms, to change those files into metal cases, as has been done with the other postmasters.

Mr. McCoy. What was done with the other postmasters?

Mr. WEED. They were transferred to all-steel stationary files, built in to fit the room, and cost a price which, with our limited appropriation, seemed prohibitive. I took the matter up with the First Assistant Postmaster General, in whose office these files would be placed, and inquired as to the cost of the first files and talked it over

in a general way how advisable it would be, with our limited appropriations, to get a cheaper file—a sectional file—which could be moved from room to room when necessary.

Mr. McCoy. Did you talk over with him the question of getting a part metal and part wood file that could be moved?

Mr. WEED. I do not think I did; I might have. I do not recall.

Mr. McCoy. Since the Postmaster General gave you instructions, which you have stated here, have you had any further conference with him in regard to the matter?

Mr. WEED. With the Postmaster General?

Mr. McCoy. Yes.

Mr. WEED. No, sir; I have not reached that point.

Mr. McCoy. Who takes the responsibility of passing on bids for goods of this kind?

Mr. WEED. Ordinarily, the chief clerk.

Mr. McCoy. Why do you say ordinarily?

Mr. WEED. Because, in a matter in which the Postmaster General himself is interested to the extent of calling his chief clerk and telling him to look into the matter, naturally he would decide it. It would not only be discourteous, but insubordinate, for me to decide a question which originated in his own mind and about which, I am sure, he would insist on being consulted.

Mr. McCoy. Who purchased the filing cases for the other branches, the first, second, and third class business?

Mr. WEED. I do not know, Mr. McCoy. That was done quite a number of years ago; I should say from 5 to 10 years ago; before I went to the Post Office Department.

Mr. McCoy. Then, of course, you would say you meant to take this whole matter up with the Postmaster General?

Mr. WEED. Most decidedly.

Mr. McCoy. How long ago did he give you these instructions?

Mr. WEED. I should say about six weeks or two months ago.

Mr. McCoy. Has he ever spoken to you about it since?

Mr. WEED. He may have done so, but I do not recall.

Mr. McCoy. You stated, in answer to a question by Mr. Towner, that if you could get all-steel cases cheaper than you could get part steel and part wood you would take all-steel?

Mr. WEED. Most certainly.

Mr. McCoy. Then you have made up your mind to that, have you not?

Mr. WEED. Of course.

Mr. McCoy. You have made up your mind, now, in view of these bids, that you will take all-steel?

Mr. WEED. If I can get that cheaper than semisteel.

Mr. McCoy. Is there any doubt about your being able to get that cheaper than semisteel?

Mr. WEED. There does not seem to be.

Mr. McCoy. Is there any question in your mind that you can get that cheaper, in view of these bids?

Mr. WEED. No.

Mr. McCoy. Then you have practically made up your mind to take them, have you not?

Mr. WEED. Of course, certainly; in the sense you mean.

Mr. McCoy. Have you not made up your mind, now, that you will not take the Globe-Wernicke cases, all-steel?

Mr. WEED. Of course, they are much higher.

Mr. McCoy. Answer my question.

Mr. WEED. Yes.

Mr. McCoy. You have made up your mind now that you will not take the Globe-Wernicke all-steel, have you not?

Mr. WEED. Yes.

Mr. McCoy. That point is settled?

Mr. WEED. Yes.

Mr. McCoy. The Globe-Wernicke Co. is out of this matter at this minute, to your mind?

Mr. WEED. Yes.

Mr. McCoy. When did you reach that conclusion?

Mr. WEED. Mr. McCoy, I said that I had not even considered these propositions; but, based on a mere business fact, if we can get all-steel cheaper than semisteel, we would be bound to take it. The Postmaster General would not consider anything else.

Mr. McCoy. When did you first see these bids that have come, in here?

Mr. WEED. The day after Mr. Ashbrook telephoned my office.

Mr. McCoy. And did you then examine them in detail?

Mr. WEED. I did not.

Mr. McCoy. When, after that, did you first examine them in detail?

Mr. WEED. I stated, Mr. McCoy, that my whole time was devoted to postals savings work.

Mr. McCoy. Excuse me; have you examined them in detail?

Mr. WEED. I have.

Mr. McCoy. When did you first examine them in detail?

Mr. WEED. I might say, after yesterday morning, based on an inaccurate statement furnished me by one of the employees, I found that my attention had not been directed to the letter, but I took them up then and examined them myself carefully.

Mr. McCoy. Is yesterday the first time you have examined them in detail?

Mr. WEED. I think, in the sense you mean, yes.

Mr. McCoy. I mean in the ordinary, every-day sense of an examination in detail.

Mr. WEED. Yes.

Mr. McCoy. Yesterday was the first time?

Mr. WEED. Yes, sir.

Mr. McCoy. Did you make up your mind yesterday on the question as to whether or not you would accept the Globe-Wernicke bid?

Mr. WEED. Mr. McCoy, I have not even considered that question yet; but it is self-evident that I could not reach any such conclusion, where there was an all-steel device that could be purchased cheaper than semisteel or wood.

Mr. McCoy. Did any of these proposals call for an all-wood filing case?

Mr. WEED. No, sir.

Mr. McCoy. Were any bids submitted for an all-wood filing case?

Mr. WEED. No, sir.

Mr. McCoy. Was any bid submitted for substantially an all-wood filing case?

Mr. WEED. No, sir.

Mr. McCoy. Did you not testify in answer to Judge Towner that the Lincoln bid was substantially all wood?

Mr. WEED. Their bid was, but we did not advertise for that, as I understand your question.

Mr. TOWNER. That was in answer to the question of mine as to whether you did not receive those bids. As I understand, that was an all-wood bid?

Mr. WEED. We did receive it, but I understood Mr. McCoy to ask if we advertised.

Mr. TOWNER. No; he wanted to know whether you received it.

Mr. McCoy. You did receive a substantial all-wood bid, then?

Mr. WEED. Yes, sir.

Mr. McCoy. Then that did not comply in any respect whatever with your proposal?

Mr. WEED. Very slightly.

Mr. McCoy. In what respect did it comply in any way with the proposal?

Mr. WEED (referring to paper). The proposal was divided into three parts—drawer units, sanitary leg bases, and tops. Mr. Lincoln filled in each item, which misled me yesterday. But a letter that he wrote calls attention to the fact that he submits his proposal based on furnishing sections “as per our sketch herewith. We propose to furnish sections with wooden drawers, wooden follow blocks, and metal-roller suspension slides.”

Mr. McCoy. Then the only metal about that was the roller suspension slides; was that it?

Mr. WEED. Yes.

Mr. McCoy. And he was out of the competition entirely?

Mr. WEED. Yes; of course under a strict interpretation of the proposal he was. His bid on the leg bases and the tops seemed to be in conformity with the specifications.

Mr. McCoy. That is, metal?

Mr. WEED. No; not metal.

Mr. McCoy. Part metal and part wood?

Mr. WEED. Golden quartered oak. The metal is used in the construction of the drawers.

Mr. McCoy. You stated, in answer to a question of Judge Towner, that Lincoln's bid furnished a basis of comparison with the other bids. From what you say now it evidently does not furnish any basis of comparison with the things you wanted to get.

Mr. WEED. It does so far as the tops and bases are concerned; not a very accurate comparison.

Mr. TOWNER. I only referred to the sections and bases and tops. I was only getting that for my own information.

Mr. McCoy. You stated to Judge Towner that these proposals were submitted to quite a number of concerns. How was the proposal submitted to them?

Mr. WEED. In the usual way.

Mr. McCoy. What is the usual way?

Mr. WEED. By mailing.

Mr. McCoy. They were mailed to each one of these concerns?

Mr. WEED. I think so. Dr. Holmes can verify that.

Mr. McCoy. Is that the way it was done, Mr. Holmes?

Mr. HOLMES. Mailed to them, and copies put on the departmental bulletin board and also given to the Government Advertiser.

Mr. McCoy. What is the date of the letter which Mr. Holmes wrote to one of the concerns?

Mr. WEED. June 12.

Mr. McCoy. And the date of the letter from the Shaw-Walker Co. to Mr. Holmes is June 8, 1911?

Mr. WEED. Yes, sir.

Mr. McCoy. And that letter from the Shaw-Walker Co. was received by Mr. Holmes on June 9, according to this?

Mr. HOLMES. Received and reported.

Mr. McCoy. Received and reported on June 9 to the acting chief clerk, Mr. Davis?

Mr. WEED. It was reported to the chief clerk.

Mr. McCoy. And he, acting, got it?

Mr. WEED. Yes, sir.

Mr. McCoy. And then, on Saturday, June 10, the acting chief clerk, Mr. Davis, wrote to Mr. Holmes in regard to the matter. That is right, is it not?

Mr. WEED. Yes, sir.

Mr. McCoy. And on June 12, 1911, Mr. Holmes wrote to the Shaw-Walker Co. That is right, is it not?

Mr. WEED. Yes, sir.

Mr. McCoy. When were any of those letters, if ever, called to your attention?

Mr. WEED. Sometime after my return from St. Paul; I should say shortly following Mr. Ashbrooke's direction to appear before the committee. Up to that time the matter had not been brought to my attention at all, because, as I say, I had separated myself, theoretically, from the office of chief clerk.

Mr. McCoy. Then, you say that none of these letters was called to your attention at any time prior to June 16, 1911, which, I understand, is the date on which the bids were opened?

Mr. WEED. I think that is substantially true; yes, sir.

Mr. McCoy. In answering Judge Towner, you have stated that this method of procedure has secured certain information for you, namely, as to the relative prices of these various devices as charged, or as would be proposed to be charged, by these different concerns?

Mr. WEED. Yes, sir.

Mr. McCoy. Was it for the purpose of getting information to act on generally, or for the purpose of getting information on which you could act specifically in this matter, that you sent those out?

Mr. WEED. I should say a little of both, specifically in this matter, so far as the all-steel was concerned, and generally in respect to the semisteel.

Mr. McCoy. Is it customary, in seeking information for the use of the departments, to get it by virtue of a proposal for a specific piece of work or a specific piece of goods?

Mr. WEED. I can not say it is customary; I do not know of any objection to it.

Mr. McCoy. Did you ever hear of its having been done before?

Mr. WEED. I can not say that I have, at the moment.

Mr. McCoy. Do you assume that Mr. Stevens, this expert, so called, of the Treasury Department, had substantially all this information in his possession before these proposals were sent out?

Mr. WEED. May I inquire substantially what information? I do not just understand.

Mr. McCoy. Substantially all the information which, by virtue of your having sent out these proposals, you now have.

Mr. WEED. I think to a certain extent he did; but even with Mr. Stevens there was some lack of knowledge, I believe, as to just what companies, if any, made these semisteel devices. It is something new, just coming on the market. It is a new departure.

Mr. McCoy. Take it with regard to the metal filing cases: did not Mr. Stevens have in his possession all the information which you now have furnished you in the bids?

Mr. WEED. I think so.

Mr. McCoy. Then, you could just as well have gone to him and gotten the information which you now have; is not that so?

Mr. WEED. I did not want any information about the all-steel, Mr. McCoy, except the bid prices, which was perfectly natural.

Mr. McCoy. Then, so far as that is concerned, you have not gained any information in regard to the steel devices, as to their qualities and usefulness, which Mr. Stevens did not have?

Mr. WEED. Probably not. I should say the one valuable piece of information I gained was the fact that an all-steel device could be purchased for a less amount than the semisteel devices.

Mr. McCoy. Is that the only way you could have found that out?

Mr. WEED. I do not undertake to say that.

Mr. McCoy. Are these standard goods or special goods?

Mr. WEED. They are standard goods.

Mr. McCoy. Then, is there any reason why you could not have ascertained in some other way, in advance of sending out these proposals, that the semisteel device of the Globe-Wernicke Co. cost a certain amount, and that the kind of steel device you called for by these proposals cost a certain amount, thereby enabling you to make the comparison without sending out the proposals?

Mr. WEED. I thought sending out a proposal was the natural and normal way of getting that information.

Mr. McCoy. Is that the way I should go to get the information if I wanted to furnish my office?

Mr. WEED. I thought you felt that was the very correct way to get the information, to submit a proposal, because when people enter into competition they naturally give you the best price possible.

Mr. McCoy. You get away from my question. If I wanted to buy one of these Globe-Wernicke semisteel wood devices, could I ascertain the price from that company?

Mr. WEED. Certainly.

Mr. McCoy. If I wanted to buy one of these all-steel devices from any one of these concerns which furnish or bid on the steel devices, could I have ascertained the price of one of those devices?

Mr. WEED. Easily.

Mr. McCoy. Then could I not have multiplied by 75 in the one instance and by 108 in the other, and in that way have ascertained that one was cheaper than the other?

Mr. WEED. Yes, you could; but it would not have given you assurance that those prices would have been submitted to you under competition.

Mr. McCoy. I am not asking that; but it would have given me their relative values, would it not, one as to the other?

Mr. WEED. Certainly.

Mr. McCoy. And in that way I could have found out that the steel device was a cheaper device than the wood and the semisteel device?

Mr. WEED. Yes.

Mr. McCoy. Then, there was no purpose with reference to that point served by your sending out these proposals?

Mr. WEED. Mr. McCoy——

Mr. McCoy. Answer my question.

Mr. WEED. Yes; most decidedly.

Mr. McCoy. Then what did you find out by the proposals you could not have found out in the way I have outlined?

Mr. WEED. In the first place, this is only one instance in conducting a tremendous office, and we do not undertake to write a letter to every concern——

Mr. McCoy. You did go and visit the Globe-Wernicke Co., did you not?

Mr. WEED. Yes; to see something that was entirely new and novel.

Mr. McCoy. Have any of these manufacturers of all-steel devices offices in Washington?

Mr. WEED. Some of them have.

Mr. McCoy. Which one has?

Mr. WEED. The General Fireproofing Co.

Mr. McCoy. Where is their office?

Mr. WEED. I haven't it in mind.

Mr. McCoy. About where is it?

Mr. WEED. I could not say; I haven't it in mind. I do not know; I have never been there.

Mr. McCoy. It can not be many miles away from the Globe-Wernicke Co., can it?

Mr. WEED. The Canton Art Metal Co.

Mr. TOWNER. The General Fireproofing Co. is 725 Fourteenth Street.

Mr. McCoy. Where is the Globe-Wernicke Co.?

Mr. WEED. F Street, between Twelfth and Thirteenth.

Mr. McCoy. How far apart are those two places of business, in blocks?

Mr. WEED. They are relatively close together. I think all of these companies with Washington offices are near together.

Mr. McCoy. Where is the Globe-Wernicke Co., did you say?

Mr. WEED. On F Street between Twelfth and Thirteenth.

Mr. McCoy. Where is the Library Bureau?

Mr. WEED. I could not say.

Mr. McCoy. Where is the General Fireproofing Co., in Washington?

Mr. WEED. I do not know.

Mr. McCoy. Where is Yawman & Erbe?

Mr. WEED. I do not know that.

Mr. McCoy. Where is the Canton Art Metal Co.?

Mr. WEED. In the Munsey Building.

Mr. McCoy. Where is Shaw & Walker?

Mr. WEED. Shaw & Walker are on Thirteenth Street between G and New York Avenue.

Mr. McCoy. Where is Moses?

Mr. WEED. Eleventh and F.

Mr. McCoy. These concerns, every one of them, were within a radius of not more than half a mile of the Globe-Wernicke Co., were they not?

Mr. WEED. I think so.

Mr. McCoy. How many times did you go to the Globe-Wernicke Co.?

Mr. WEED. Once.

Mr. McCoy. How long did it take you?

Mr. WEED. I have no recollection, Mr. McCoy.

Mr. McCoy. What do you say about not going to one of these steel filing-case concerns?

Mr. WEED. I have nothing to say. I try to be reasonable in these matters. My attention was invited to these semisteel files, which were something entirely new, and it seemed perfectly natural to go.

The CHAIRMAN. By whom?

Mr. WEED. By Mr. Campbell.

Mr. McCoy. Who is Mr. Campbell?

Mr. WEED. The manager of the Globe-Wernicke Co.

Mr. McCoy. Now, to get back to the point I was talking about, why could you not, in the performance of your duty, and using the time of the Government in a perfectly proper way, have ascertained without the formality of all these bids and proposals and advertising and everything else that a steel filing case, such as you wanted, was a cheaper device than a part steel and part wood filing case?

Mr. WEED. I presume, if I had had any such thought in mind, it could readily have been ascertained.

Mr. McCoy. Then you had no thought in mind of ascertaining the difference in cost, had you?

Mr. WEED. Every thought.

The CHAIRMAN. That is the thought I want you to keep in your mind now, and keeping in your mind that you then had a thought of ascertaining in your own way the comparative cost of the metal device and the part-metal device, why could you not have gone about it in the way I have indicated?

Mr. WEED. It could have been done.

Mr. McCoy. Then why did you not do it?

Mr. WEED. Because it would be unusual.

Mr. McCoy. You thought you would prefer to waste the time of all the people in the department drawing up these proposals, and waste the time of the printer in advertising, and all that "rigamajole," in preference to spending a half hour in going to one of the metal companies and asking them their prices?

Mr. WEED. Mr. McCoy, that is the first time I ever heard advertising for proposals described in that way. I thought it was a perfectly orderly procedure.

Mr. McCoy. It is the regular way to get information.

Mr. WEED. Of course.

Mr. McCoy. That is the regular way in the Government departments of getting information of a general character which will enable them to act generally in these matters?

Mr. WEED. Decidedly.

Mr. McCoy. And you always do that?

Mr. WEED. Not always; it depends on the case.

Mr. McCoy. Do you know of any case where, in order to ascertain whether one sort of thing cost more than another, for the purposes of general information, this method has been adopted?

Mr. WEED. There are so many precedents on both sides, Mr. McCoy, it would be useless to present them here. The purchasing agent, for instance, could tell you a number of times where, for small articles, he has informally sent around to a number of local bidders to get a price; and just as many other times sent out by letter to get proposals. It is quite regular.

Mr. McCoy. Do you mean to say that Mr. Holmes, the purchasing agent, in order to get for his department general information, not for use in a specific case, has ever adopted this method of procedure?

Mr. WEED. I did not say that, Mr. McCoy.

Mr. McCoy. What did you say?

Mr. WEED. I said that there were two ways of obtaining competition here in Washington.

Mr. McCoy. I am not asking you that. Just confine yourself to my question.

Mr. WEED. I thought I had.

Mr. McCoy. I am not asking you for information as to how to go to work when you want a competitive bid. Exclude that absolutely from your mind. But if you want to get general information for general use in the office, to be used at any time when you please to use it, and not with reference to a specific demand for specific goods, have you ever heard of going about it by advertising in that way? If so, I want one concrete instance.

Mr. WEED. I thought I answered that question some time ago by saying I could not cite a case.

Mr. McCoy. Then you do not know of any such case?

Mr. WEED. I have not any in mind; no.

Mr. McCoy. Will you undertake to find any such case in the department and present it here to this committee?

Mr. WEED. I will undertake to find it, yes; but what a tremendous task!

Mr. McCoy. That is an impertinent answer for you to make.

Mr. WEED. I did not mean it that way.

Mr. McCoy. That is the way it sounds to me. We are here for information, and not to be told it is a useless task.

Mr. WEED. I did not mean it to be impertinent.

Mr. McCoy. What you mean, Mr. Weed, is that you can not state a specific case in which this thing has been done, and, I challenge you to do it, and to bring me the proof of it.

Mr. WEED. I will be most pleased to endeavor to do so. I should like to talk to the chief clerks and purchasing agents in all of the departments.

Mr. McCoy. I wish you would. I wish you would make just as thorough an investigation as you know how to make, and bring me another instance of this kind, where you seek for general infor-

mation by a competitive bid, on a specific piece of work you want. If that is the method of business, we had better see that it is changed right away. You had there what you called a report of some board, or commissioner, or bureau, or some other thing, about furniture. I want to see that. What do you call this [indicating]?

Mr. WEED. We call it the report of the Chief of the Division of Equipment in the Treasury Department, addressed to the Board of Award, containing an exhaustive analysis of the construction of all filing devices at that time considered by the Government, both all-wood and all-steel.

Mr. McCoy. This is dated July 8, 1910, is it not?

Mr. WEED. Yes, sir.

Mr. McCoy. Has there been any such report since?

Mr. WEED. I would not like to say; I think not.

Mr. McCoy. Then I wish you would make a memorandum and bring it, if there is. You think not?

Mr. WEED. I think not.

Mr. McCoy. Then, so far as you know, this is the report which the various departments go by now?

Mr. WEED. So far as I know.

Mr. McCoy. I will ask to have that put into the record.

(The paper referred to will be found at the end of the hearing.)

Mr. REDFIELD. Mr. Weed, in answer to the questions asked by Mr. McCoy as to the addresses of different concerns here in this same line of business, I noticed you did not know the addresses of two of the well-known concerns, whereas you gave immediately and without hesitation the address of the Globe-Wernicke Co.

Mr. WEED. Yes, sir.

Mr. REDFIELD. Did you wish the committee to infer from that fact that you were more familiar with the Globe-Wernicke Co. than you were with these other concerns?

Mr. WEED. No, sir.

Mr. REDFIELD. What inference shall we draw from that, that you did not know where the offices of these two concerns were, whereas you twice gave immediately the address of the Globe-Wernicke Co.? I think in justice to yourself you should make that plain.

Mr. WEED. I do not understand the purpose of the question, Mr. Redfield. I do know the address of quite a number of these. The Yawman & Erbe I said I did not know, because it was not clear in my mind. The Shaw-Walker I know well, the Canton Art Metal, Moses—

Mr. REDFIELD. The Library Bureau?

Mr. WEED. No; I said I did not recall where the Library Bureau is; although I think the Library Bureau is on New York Avenue.

Mr. REDFIELD. The point is this, Mr. Weed: I understood you to state that here were three concerns which were all on the dependable list—the three leading concerns, we may say—and yet, when you are asked to give the addresses of the three, two you do not know, and one you do. Now, the normal inference—I am trying to avoid doing any injustice—is that you were very much more familiar with one than with the others.

Mr. WEED. I stated I had been in the Globe-Wernicke place. I have been in the Moses place, I have been in the Shaw-Walker place.

I do not know that that indicates anything. You asked me at my first hearing, a month ago, where the Globe-Wernicke establishment was, and I gave it to you then. It occupies a very prominent place in the city. You could scarcely go down F Street without noticing it, so far as that goes. I have been in a large number of establishments here, but there is an equally large number I have never been in.

Mr. REDFIELD. The only point is the attitude you want an impartial reader of this testimony to take. You are a buyer for your office. You have stated the names of three well-known concerns. You betray marked familiarity with one of them; you do not know where the others are, and yet you wish us to understand that your effort, at least, is to be entirely impartial. What inference is the public to draw from reading that testimony?

Mr. WEED. I think the public would indeed be looking for rather unfair inferences to draw any deduction from it. I told you very plainly why I had been there. I went there to see this device—the semimetal device. I had no particular reason to go to the Library Bureau. I am a free agent; it seems to me as though I might be permitted to go wherever I pleased.

Mr. REDFIELD. The question did not relate to where you went.

Mr. WEED. I told you why I went there.

Mr. REDFIELD. The question did not relate to where you went; the question was simply whether you are opening the doors to all men alike, and on that question everything which throws light is pertinent. You were asked, when a little off your guard, the addresses of the three concerns whom you have stated to be the dependable concerns. If you were in equal touch with all three, it is a normal inference that you would know where they were. Two of them you could not locate; one you could.

Mr. WEED. I presume the committee wants to be fair to me, as I want to be fair to you, and you say I was off my guard. I have made no effort to be on my guard at any time this morning. What information I have is at your disposal, freely and frankly.

Mr. REDFIELD. I withdraw “off your guard.” Explain the fact.

Mr. WEED. I have explained it to the best of my ability. My attention was called to this semisteel device.

Mr. REDFIELD. We are not talking about the device; the question relates to this simply fact; it had nothing to do with anything else. Let me state it again, and say what you desire to in order to make it right. You give us the names of three concerns, whom you state to be the three dependable concerns, and you are asked where they are.

Mr. WEED. I was asked where all of them were.

Mr. REDFIELD. About one of them you betray entire familiarity; about the other two you do not. Now, I simply ask you to explain it.

Mr. WEED. Mr. Redfield, may I ask you a question? Why should I know the addresses of all of the dealers in Washington? It is not my practice to go around to the dealers. I haven't time to do it.

Mr. REDFIELD. I will answer the gentleman's question.

Mr. WEED. I explained why I went to the Globe-Wernicke Co.

Mr. REDFIELD. I have not asked you concerning all the dealers of Washington; I have asked you concerning three men, who you stated were recommended to you by the expert of the Treasury Department as being the three dependable concerns. I am answering

you. Now, if three leading concerns in the city of New York were selected as the dependable three and I were in the position of a buyer, supposed to be impartial, I can not conceive it possible that I, or my buyer, should not know where they were, and if I knew where one was and I did not know where the other two were I should assume that there was a mighty queer reason for my knowing the one and not the two.

Mr. WEED. I think that is a most unfair view to take of it. The buyers in the Post Office Department know where these concerns are. It is of no interest to me to know where they are. I know the goods; I know them very well. I know they all are excellent goods. What occasion have I to go to the store? I am in the department most of the time. I am there working until nearly midnight, as my record will show. So far as the public is concerned, I have given my answer as to why I went to the Globe-Wernicke, and I am perfectly satisfied to have it go at that.

(Thereupon, at 12.15 o'clock p. m., the committee took a recess until 2 o'clock p. m.)

AFTER RECESS.

The committee met, pursuant to the taking of recess, at 2 o'clock p. m.

Present: Representatives Ashbrook (chairman), Alexander, Redfield, McCoy, Slemph, and Towner.

TESTIMONY OF T. L. WEED—Continued.

The CHAIRMAN. The committee will resume its hearing, and I will ask Mr. McCoy to continue the examination.

Mr. McCoy. Mr. Weed, in these proposals which you sent out to the various manufacturers of furniture, is there any statement to the effect that the contract may be filled, or that requisition may be made for the goods of the successful bidder, during the year?

Mr. WEED. Yes.

Mr. McCoy. What is that statement?

Mr. WEED. It reads, "During the fiscal year beginning July 1, 1911."

Mr. McCoy. Then, as a matter of fact, it would have been legal for the Post Office Department to have called for one of these units at any time during that year, if it wanted to?

Mr. WEED. I think so.

Mr. McCoy. Then, in case of a special design made by one manufacturer, he could have filled the requisition promptly and the other manufacturers could not have done so; is not that so?

Mr. WEED. Of course, Mr. McCoy, I might say this, to explain the whole situation, that delivery would undoubtedly have been required at once.

Mr. McCoy. I am not talking about what would have undoubtedly happened, but what might legally have happened under the contract.

Mr. WEED. I think so; replying to your question, I think so.

Mr. McCoy. You quoted the repetition to you by Mr. Davis of a statement made by a Mr. Beck, of the Library Bureau.

Mr. WEED. Yes, sir.

Mr. McCoy. Did you tell everything that Mr. Davis said to you?

Mr. WEED. Yes, sir.

Mr. McCoy. State again everything that Mr. Davis said to you in reporting his conversation with Mr. Beck.

Mr. WEED. He said that Mr. Beck, representing the Library Bureau, had called at the office and stated to him that that company could bid, and would do so.

Mr. McCoy. Is that all that he stated to you?

Mr. WEED. Substantially; yes, sir. He may have expressed some surprise that the bid was not received, but the point of the talk was the fact that he said the Library Bureau could and would bid.

Mr. McCoy. Do you know who Mr. Beck is, and just what his connection with the Library Bureau is?

Mr. WEED. I do not know his connection, other than he is a representative of the Library Bureau.

Mr. McCoy. You do not know how long he has been in their employment?

Mr. WEED. No, sir; I never met him; to my knowledge, I never met him; I do not recall.

Mr. McCoy. Have you any social acquaintance with Mr. Campbell, of the Globe-Wernicke Co.?

Mr. WEED. Yes, sir.

Mr. McCoy. In fact, your social relations are quite close, are they not?

Mr. WEED. We belong to the same club, the Press Club.

Mr. McCoy. How about your social relations otherwise, outside of club life?

Mr. WEED. I have long considered Mr. Campbell a friend of mine. I have been well acquainted with him for, I should say, seven years.

Mr. McCoy. Is there a man named Conrard?

Mr. WEED. Yes, sir.

Mr. McCoy. Do you happen to know whether he is a fairly intimate friend of Mr. Campbell's?

Mr. WEED. I know that he is a friend of Mr. Campbell's. I do not know the degree of intimacy; I should say it was rather close.

Mr. McCoy. Will you let me see Mr. Davis's letter? Is that here?

Mr. WEED. Yes, it is [handing Mr. McCoy letter].

Mr. McCoy. I have the specifications, or the proposal, for the 75 filing units, referring to metal interiors, or specified metal interiors, for the filing cases.

Mr. WEED. Yes, sir. May I read?

Mr. McCoy. Yes.

Mr. WEED (reading):

Interior drawer work to be all steel, with steel extension slide and steel follow block.

Mr. McCoy. That would call for metal interiors, then, would it?

Mr. WEED. Yes, sir.

Mr. McCoy. Was that a special device, so far as you know?

Mr. WEED. Yes; that is, it was the feature of this one type of filing section that I saw.

Mr. McCoy. That is, it was a special feature of this Globe-Wernicke device?

Mr. WEED. Yes, sir.

Mr. McCoy. Had you ever heard that any other devices made by other people were made with metal interiors substantially complying with that proposal or specification?

Mr. WEED. I had not.

Mr. McCoy. This letter of June 10, 1911, from Mr. Davis, acting chief clerk, to the purchasing agent of the Post Office Department, if I remember your statement rightly, you did not see prior to the opening of the bids?

Mr. WEED. Yes, sir.

Mr. McCoy. That is right; you did not see that?

Mr. WEED. That is right, I did not.

Mr. McCoy. Do you know what experience Mr. Davis, the acting chief clerk, has had with filing devices, office furniture, if any?

Mr. WEED. I should say only such information as he has acquired in his position as assistant chief clerk in the Post Office Department.

Mr. McCoy. That is, his experience would be based, in your belief, largely on his experience right in the Post Office Department with what was in there?

Mr. WEED. Yes, sir.

Mr. McCoy. Were there, in the Post Office Department, at the time this letter was written, or had there been ever, so far as you know, any of these cases with the interior of metal?

Mr. WEED. No, sir; all-metal cases, but not of this semimetal type.

Mr. McCoy. Then, so far as you know and believe, Mr. Davis never had any experience of any kind with such filing devices as are called for for these 75 units?

Mr. WEED. Not to my knowledge.

Mr. McCoy. And he has never indicated to you that he had any such experience?

Mr. WEED. No, sir.

Mr. McCoy. Do you think Mr. Davis had sufficient knowledge of devices to enable him to dictate this letter of June 10, 1911, to the purchasing agent, or to write such a letter from his own knowledge?

Mr. WEED. It is hard to say, Mr. McCoy.

Mr. McCoy. Examine the letter and let me know, please, what you feel about that [handing witness letter].

Mr. WEED. I am inclined to think, Mr. McCoy, that he has, as I read the letter carefully.

Mr. McCoy. That is, you think that he had at that time sufficient knowledge, technical or general, about devices to write that letter?

Mr. WEED. I should say that he had sufficient general knowledge; yes, sir.

Mr. McCoy. If he makes a statement of fact in that letter, then, about filing cases, you would not question it as a statement of fact?

Mr. WEED. You mean such statements as appear here?

Mr. McCoy. Yes. Any fact that he stated in that letter you would take as a statement made on his own knowledge, gained from experience?

Mr. WEED. I think I would, Mr. McCoy.

Mr. McCoy. Then, when he states here in this letter as follows:

Metal interiors were asked for in the three-drawer units because of the fact that it has been the experience in the use of filing devices so constructed in the public buildings throughout the country that they are much superior to others, combining certain advantages of all-metal units with cheapness in cost.

You would say that he was stating a fact of his own knowledge?

Mr. WEED. I should think so; I think it may be admitted.

Mr. McCoy. Then he has knowledge about that particular kind of device which you did not possess and which he did not communicate to you in any way?

Mr. WEED. It seems to me that that is a general statement, Mr. McCoy.

Mr. McCoy. I understood you to say that this combination of wood and metal was something that was new to you, and that you were endeavoring to get prices on that particular device.

Mr. WEED. Yes, sir.

Mr. McCoy. That is, a device which had in it, as a novel feature, the combination of wood and metal, and particularly metal interiors to the drawers?

Mr. WEED. Yes, sir.

Mr. McCoy. That was a new thing to you when you saw the Globe-Wernecke device?

Mr. WEED. Yes, sir.

Mr. McCoy. Then Mr. Davis had some knowledge about it which you did not possess, if his statement in his letter is accurate?

Mr. WEED. I want to read it again. [Reading letter.] Certainly I can admit that as he expresses it there he had information which was superior to that which I had in the beginning, before I looked into this subject at all.

Mr. McCoy. When did you look into it?

Mr. WEED. I said I had my attention first called to it a few months ago.

Mr. McCoy. This letter is dated June 10, 1911. Do you now say that some months ago, when you first looked into this matter of the combination steel and wood filing cases, you had the same sort of information which Mr. Davis in this letter states that he had on June 10? Read that again, Mr. Stenographer, and I would like to have a categorical answer.

(The stenographer repeated the question as follows:)

Mr. McCoy. Do you now say that some months ago, when you first looked into this matter of the combination steel and wood filing cases, you had the same sort of information which Mr. Davis in this letter states that he had on June 10?

Mr. WEED. I may not make anything but a categorical reply to that?

Mr. McCoy. That is all.

Mr. WEED. Not immediately, in the beginning.

Mr. McCoy. How soon after the beginning of that investigation, which you started—how many weeks ago or months ago?

Mr. WEED. My reply referred to my first knowledge of such a cabinet, such a section.

Mr. McCoy. When did you acquire that knowledge first?

Mr. WEED. The best answer I can give is some months ago; it may have been two months ago; I do not recall exactly.

Mr. McCoy. It was at least one month ago?

Mr. WEED. Yes, sir.

Mr. McCoy. What was the information which you then acquired, at least one month ago?

Mr. WEED. I acquired the information that a new type of filing cabinet had been put on the market that cost no more than the old wooden section but had the additional advantage of a steel interior.

Mr. McCoy. That was when you first acquired that knowledge?

Mr. WEED. Yes, sir.

Mr. McCoy. At least a month ago?

Mr. WEED. Yes.

Mr. McCoy. Then, at least a month ago you knew for the first time that there was such a device as you have described?

Mr. WEED. Yes, sir.

Mr. McCoy. A month ago was prior to June 10, 1911, was it not?

Mr. WEED. Yes.

Mr. McCoy. So that when Mr. Davis wrote this letter you say that he had the same knowledge about devices with metal interiors that you had, so far, at least, as the one device was concerned which you examined?

Mr. WEED. That is my belief; yes, sir.

Mr. McCoy. And you should say that his information was about the same sort of thing that your information was about?

Mr. WEED. Yes, sir.

Mr. McCoy. Did you, a month ago, have any information which would lead you to believe that such devices were in use in any other department of the Government or in any private business in the country?

Mr. WEED. I think not. I do not recall. It was my impression that it was a new thing.

Mr. McCoy. And that was the first time you had heard of it?

Mr. WEED. Yes, sir; that is my impression.

Mr. McCoy. You had no additional knowledge in regard to it on June 10, 1911, had you?

Mr. WEED. I think that within that time I was told by Mr. Stevens that there had been some purchases of that sort made in the Treasury Department. I think so. I should like the privilege of asking Mr. Stevens if I am right. That is my impression now.

Mr. McCoy. That is, your impression now is that Mr. Stevens, between this time when you first got information about the device and the 10th of June, 1911, had told you that there were some other devices than those made by the Globe-Wernicke Co. Is that what you mean?

Mr. WEED. No, sir; that some of the Globe-Wernicke devices were purchased.

Mr. McCoy. Were in there?

Mr. WEED. Yes, sir.

Mr. McCoy. And did he tell you the date of the purchase?

Mr. WEED. No, sir.

Mr. McCoy. Has the Globe-Wernicke Co. ever told you when they first began to put these devices on the market, or first made any of them?

Mr. WEED. Not exactly.

Mr. McCoy. Have they told you approximately?

Mr. WEED. Of course, my discussion over the subject gave me the information that it was something new; it was just being brought out.

Mr. McCoy. Give me your own definition of what you consider something new with reference to the time when it was first made, as compared with the time when you first heard it was made.

Mr. WEED. I should think certainly within two months.

Mr. McCoy. Two months of what time?

Mr. WEED. Of this date—June, 1910.

Mr. McCoy. That is, within two months prior to June, 1910, according to your information, this device was first sold by the Globe-Wernicke Co.?

Mr. WEED. Yes, sir.

Mr. McCoy. Now, I ask you the question whether or not Mr. Davis, in your own interpretation of the clause from this letter which I have read, did, on June 10, 1911, have any knowledge which you did not possess as to the use of filing cabinets with metal interiors anything like the Globe-Wernicke Co.'s?

Mr. WEED. Frankly, Mr. McCoy, I do not know that he did.

Mr. McCoy. Does that letter give you the impression that he had any different or other or better information than you had as to the use of such files?

Mr. WEED. Yes.

Mr. McCoy. And he never communicated it to you in any way, shape, or manner?

Mr. WEED. No, sir; I have not talked the matter over with him.

Mr. McCoy. Do you know of any public building other than the Treasury Department in which these devices are used, according to Mr. Stevens; where any such cases with metal interiors have been tried and have been proved satisfactory?

Mr. WEED. I do not.

Mr. McCoy. Will you ask Mr. Davis to tell you, before you come here again, what he knows about it, and where he got his information?

Mr. WEED. I will be glad to.

Mr. McCoy. Have you any reason in the world to believe or suspect that that letter was not in any way prepared by Mr. Davis or by Mr. Stevens?

Mr. WEED. None whatever. I never entertained any doubt but that it had been prepared by Mr. Davis.

Mr. McCoy. You never had any doubt that it had been prepared by him without any assistance of any kind or description?

Mr. WEED. No, sir.

Mr. McCoy. You will ask him that question and make a report as to what he says?

Mr. WEED. I will.

Mr. McCoy. Did Mr. Davis have anything to do with the preparation of these proposals, and if so, what?

Mr. WEED. Of course he is my assistant, Mr. McCoy, in the office.

Mr. McCoy. Now, Mr. Weed, we will save time if you will try to answer my questions.

Mr. WEED. I wanted to tell you—

Mr. McCoy. I know he is your assistant. Did he or did he not anything to do with the drawing of the proposals?

Mr. WEED. I think he did.

Mr. MCCOY. What do you think he had to do with it?

Mr. WEED. A good deal of the detail work in the office, especially these purchases——

Mr. MCCOY (interrupting). All right; I beg your pardon.

Mr. WEED. I will give you a very clear answer. A good deal of the detail work in the office, especially in the purchase of the furniture, is handled by Mr. Davis, and I think it is quite likely that these specifications must have been taken up with him during the course of their drawing.

Mr. MCCOY. But you do not know, as a matter of fact——

Mr. WEED. I would be very glad to give you a definite answer.

Mr. MCCOY. You do not know, as a matter of fact, whether he actually did have anything to do with these specific proposals which we are talking about here?

Mr. WEED. No, sir.

Mr. MCCOY. You do not know?

Mr. WEED. No, sir.

Mr. MCCOY. Who gave the instructions in regard to sending these proposals out to the various manufacturers?

Mr. WEED. That was done from my office.

Mr. MCCOY. By whom?

Mr. WEED. Through Mr. Holmes, the purchasing agent.

Mr. MCCOY. Who sent them to Mr. Holmes?

Mr. WEED. Either I did, or Mr. Davis; and at the present moment I would not like to say positively that I signed the order on Dr. Holmes.

Mr. MCCOY. Have you the order here, Dr. Holmes?

Mr. HOLMES. Yes.

Mr. WEED. That will show.

Mr. MCCOY. May I see it?

Mr. HOLMES (handing paper). It is signed by Mr. Davis.

Mr. MCCOY. Is this the order which was sent out to Dr. Holmes requesting him, or directing him, to send out these proposals [handing witness paper]?

Mr. WEED. Yes, sir.

Mr. MCCOY. And whose signature does it bear?

Mr. WEED. Mr. Davis's.

Mr. MCCOY. Who is G. F. Shaw?

Mr. WEED. Assistant superintendent of buildings.

Mr. MCCOY. What has he to do with this sort of thing?

Mr. WEED. He is in charge of the bookkeeping end of expenditures from the miscellaneous funds, and under department regulations he draws the orders, subject, of course, to my instructions.

Mr. MCCOY. Then his part in the business was to be certain that the order called for goods such as might be paid for out of a given fund?

Mr. WEED. Yes, sir.

Mr. MCCOY. In other words, he had nothing whatever to do with the question of kinds of devices, or anything of that sort?

Mr. WEED. No, sir.

Mr. MCCOY. I show you something written on that order in lead pencil, and ask you to read it and state in whose handwriting it is.

Mr. WEED (reading) :

Bidders will please state how soon after July 1, 1911, delivery will be made.

Mr. McCoy. In whose handwriting is that?

Mr. WEED. I can not say at the moment.

Mr. McCoy. Do you know, Mr. Holmes, whose that is [indicating] ?

Mr. WEED. It looks like Shaw's, but I am not at all certain.

Mr. HOLMES. I do not know.

Mr. McCoy. Do you know whether or not Mr. Davis knew, at the time this order was sent to Mr. Holmes, that the 75 horizontal units called for were specified in terms to fit the Globe-Wernicke product specifically?

Mr. WEED. Probably not.

Mr. McCoy. Why do you say "probably not?"

Mr. WEED. Because the matter was one that up to about the time of my going away had been handled by me. I, as I told you previously, had called in Shaw, the assistant superintendent of buildings, and given him, in a general way, a description of these files, and told him to go to the Globe-Wernicke Co. and draw specifications to cover such a file. I went away about June 6th, and for that reason I was unable to say awhile ago whether I actually signed them or not. It was not clear in my own mind. I should be inclined to say that they came up to Mr. Davis without his having been previously consulted, except that in a general way he knew I was thinking of inviting proposals for steel sections.

Mr. McCoy. Do these specifications in this order, called an "Exigency supply requisition," sent to Dr. Holmes," correspond exactly with the proposals which we have had before us, and to which you have referred several times?

Mr. WEED (examining). Yes, sir.

Mr. McCoy. It is the same thing, is it not?

Mr. WEED. The same thing; they should be, of course.

Mr. McCoy I presume it is; I do not want to bother to look it through, that is all.

Mr. WEED. Yes.

Mr. McCoy. Did you know that this lead pencil memorandum had been put onto this order, or was to be?

Mr. WEED. No, sir. At the present moment I do not fully appreciate what it means.

Mr. McCoy. Had you in mind what that indicates, namely, that possibly these articles would be called for very soon after the 1st of July?

Mr. WEED. Yes, Mr. McCoy; I think that should be admitted, because the Postmaster General's instructions to me indicated that; I think I said that this morning, that he wanted these files transferred after July 1.

Mr. McCoy. As soon as possible after July 1, do you mean, or simply after July 1?

Mr. WEED. I think he undoubtedly meant as soon after July 1 as possible.

Mr. McCoy. That is, the quicker you could get this transfer made the better he would be pleased, and the safer the things would be?

Mr. WEED. Yes, sir; and may I just conclude and say it is very likely that I made such a statement. I think it would be quite natural

that I did, and whoever noted it there may have been endeavoring to merely put in writing what he had received from me.

Mr. McCoy. I notice that both the sheets containing the order are headed "Exigency supply requisition." Was this what is legally known as matter of exigency supply?

Mr. WEED. I think so, in the broad sense of the term, Mr. McCoy.

Mr. McCoy. Then, as a matter of fact, you need not, according to what you said some weeks ago, have called for bids at all on this?

Mr. WEED. I think so; although, as I said, it was not in my mind to do; but I think it could have been done under the Postmaster General's direction to make that transfer after July 1; but that was not in my mind, and I wanted to submit the matter to competition, and did.

Mr. McCoy. What I mean is this, if you had chosen to buy these articles without competition, is it your opinion that you would have been legally right in doing so under the law in regard to buying exigency supplies, namely, as I understand it, a law which would, under those circumstances, allow you to fail to call for bids, if you chose?

Mr. WEED. I would not care, in a case of that kind, Mr. McCoy, to make such an exigency——

Mr. McCoy. That is not my question, Mr. Weed. Suppose it had occurred to you to buy without bids. Is it now your opinion that you would have been justified under the law in buying these articles without bids, considering them exigency supplies? What is your present opinion, regardless of what you ever thought about it?

Mr. WEED. I think that, broadly speaking, I can say yes to your question.

Mr. McCoy. Narrowly speaking, what would you say?

Mr. WEED. Narrowly speaking, I should say no.

Mr. McCoy. What do you mean by narrowly speaking, and why do you say no, narrowly speaking?

Mr. WEED. I mean that I think a transfer from one file to another could have been made in two or three months, and been entirely satisfactory to the Postmaster General.

Mr. McCoy. Yes.

Mr. WEED. And that was the view I took of it at the time, and I have not changed.

Mr. McCoy. In other words, that would be your narrow construction on which you would say: No; this is not an exigency matter?

Mr. WEED. Yes; may I say strict construction?

Mr. McCoy. Well, strict construction; that is, on a strict construction of the law in regard to exigency supplies you would say that this was not the sort of purchase which could be made without proposals and bids?

Mr. WEED. Yes, sir.

Mr. McCoy. But on a broader construction, or upon a construction based on furnishing these things soon after the 1st of July, you would say that you had the right to make purchases without bids?

Mr. WEED. Yes, sir; that is just the way I felt about it.

Mr. McCoy. That is all, I think.

Mr. TOWNER. I wish you would explain to the committee, Mr. Weed, the method the department uses in advertising these bids.

You spoke about advertising them in the Government Advertiser. Will you please explain that to the committee?

Mr. WEED. In the majority of purchases made by the department we resort to advertising, which means mailing a circular proposal to such concerns as we think would submit bids, and also, independently of that, placing the advertisement in a conspicuous place in the department on the bulletin board downstairs, and also in this publication known as the Government Advertiser.

Mr. TOWNER. Is there such a thing as a Government Advertiser—a publication that contains advertisements of bids?

Mr. WEED. I think so. Dr. Holmes, the purchasing agent, is much better informed on that end than I am, and if he could explain the newspaper end of it I would appreciate it.

Mr. TOWNER. With the permission of the committee, I will turn to Mr. Holmes and ask him to explain that.

ADDITIONAL TESTIMONY OF MR. JOHN A. HOLMES, PURCHASING AGENT, POST OFFICE DEPARTMENT.

Mr. TOWNER. Is there such a publication as the Government Advertiser, Mr. Holmes?

Mr. HOLMES. There is.

Mr. TOWNER. Will you explain to the committee what that publication is, briefly?

Mr. HOLMES. Its principal business is advertising Government proposals—I believe that is its sole business. They are on our list. We give them copies of all our proposals.

Mr. TOWNER. This publication is, I suppose, in the hands of, or taken by, the parties who desire to file bids for Government contracts?

Mr. HOLMES. Yes, sir.

Mr. TOWNER. Do you remember whether or not these bids were published in this Government publication?

Mr. HOLMES. Yes, sir.

Mr. TOWNER. Is that a private enterprise?

Mr. HOLMES. It is. It publishes the advertisements free.

Mr. TOWNER. But it is used by the Government because thereby it gives publicity?

Mr. HOLMES. We do not use it; they use our advertisements as seminews or news.

Mr. TOWNER. You furnish them?

Mr. HOLMES. Yes.

Mr. TOWNER. Because you know that will reach and attract those interested?

Mr. HOLMES. I made an arrangement with them to take our ads.

Mr. TOWNER. I believe that is all.

Mr. McCoy. Have you a copy of the advertisement of this particular proposal with you?

Mr. HOLMES. We gave them one of these copies. I imagine it is about the same as this [indicating]. I have not seen it. I am informed from a letter received by one bidder that he had seen in "The Government Advertiser."

Mr. McCoy. That is what I was coming to. What form would the advertisement usually take in a matter of this kind?

Mr. HOLMES. It would be headed "Post Office Department" and "Bids will be received," and just give the facts.

Mr. MCCOY. Do they give the specifications?

Mr. HOLMES. Yes; the specifications.

Mr. MCCOY. And would they say that blanks, or whatever you please, can be procured at the Post Office Department?

Mr. HOLMES. Not in a case like this. It would be where we had the annual advertisement, the big contracts, and the additional method of advertising is through newspapers, which Mr. Weed did not state. We do that only in the big contracts. Otherwise we send to all known dealers we believe we can get a bid from.

Mr. MCCOY. In other words, the paper gets substantially this, and then makes up an advertisement?

Mr. HOLMES. My understanding is it is published in the Postal Record also; I am not sure about that.

Mr. MCCOY. What is the Postal Record?

Mr. HOLMES. It is a paper conducted by the Letter Carriers' Association.

Mr. TOWNER. It is the policy of the department, I presume, to give as much publicity to these requisitions as it can?

Mr. HOLMES. Oh, yes; we keep a very complete mailing list. I think we have the best in town; I am sure of it.

Mr. MCCOY. That comes under your supervision, does it not?

Mr. HOLMES. Yes, sir. We send to others besides the names you have there. I think there are about 14 names we send to, and then the 2 papers, which would make 16.

Mr. MCCOY. You just picked out all the furniture people you knew of as likely to be within this class and sent this stuff out to them?

Mr. HOLMES. Yes. I instructed the clerk who had charge of that to do that, to give it the widest possible publicity.

Mr. ALEXANDER. Are George D. Bernard & Co., of St. Louis, on your list?

Mr. HOLMES. I can not tell. I will have to refer to the list. I would be very glad to put them on.

TESTIMONY OF MR. T. L. WEED—Continued,

Mr. TOWNER. Mr. Weed, you spoke about this method of securing prices by bids. My good friend Mr. McCoy seems to consider that that is a very bad method; on what ground I do not quite understand. But was there anything in these bids that required the Government to purchase anything of these men?

Mr. WEED. No, sir.

Mr. TOWNER. Was there anything in the requisition or the publication of these matters that bound the Government to make any purchases at all?

Mr. WEED. No, sir.

Mr. TOWNER. Is it not for the benefit of the department to get actual competitive bids from the people if they are contemplating purchasing?

Mr. WEED. I think so.

Mr. TOWNER. Could these be secured so that the Government could act upon them in any other way except by bids?

Mr. WEED. I think not.

Mr. TOWNER. I think that is all.

Mr. McCoy. Referring to the few questions which Judge Towner has just asked you, which in turn referred to certain questions I had asked you, did you understand that my general line of inquiry indicated a criticism of the Government's obtaining competitive bids when it wanted to get specific supplies?

Mr. WEED. I am afraid I did, frankly.

Mr. McCoy. You did? Then I will develop that a little further. I will state that I approve most highly of competitive bids, wide open and fair. Did you not state to Judge Towner that one of the advantages to the Government of the procedure in this case was that you got a line—to use a slang phrase—upon comparative costs as between all-metal filing cases and filing cases partly of metal and partly of wood?

Mr. WEED. Yes.

Mr. McCoy. That is, you got that general information, as I understand, that metal cases could be bought more cheaply than combination metal and wood?

Mr. WEED. Yes, sir.

Mr. McCoy. And you consider that that information is a valuable piece of information to the department?

Mr. WEED. Yes, sir.

Mr. McCoy. And you consider that the method which was adopted in this case was adopted partly to ascertain that general fact?

Mr. WEED. Yes, sir.

Mr. McCoy. And you consider that the Government has been specifically benefited in this particular instance by having gotten that general information?

Mr. WEED. I think so.

Mr. McCoy. Suppose that you were not thinking of supplying the department with any filing cases in compliance with specific orders of the Postmaster General or anybody else, and you wanted to inform yourself, generally speaking, as to whether a certain class of goods, distinct from a certain other class of goods, cost more or less than the other one; would you go about it by asking for specific bids for specific filing cases, we will say, to supply a specific and definite need mentioned by the Postmaster General to you?

Mr. WEED. Not always, Mr. McCoy.

Mr. McCoy. Would you ever do it?

Mr. WEED. Yes.

Mr. McCoy. Did you ever do it before this time?

Mr. WEED. I can not recall a case now.

Mr. McCoy. Then you will not say you ever did it before?

Mr. WEED. I would not like to.

Mr. McCoy. Now, then, let me ask you, would not the regular, ordinary method of ascertaining the general comparison of prices between distinct classes of goods, where you had an expert at your command, be to go to the expert and say to him, "Mr. Stevens"—in this instance—"do you know whether three-drawer metal cases"—such as these specified here—"cost more than wood and steel metal cases combined?"

Mr. WEED. I would see no objection whatever to doing that, Mr. McCoy. I think it would be natural to do it.

Mr. McCoy. And would you not think, Mr. Weed, getting right down to it, that that would be the only way to find that fact out for the purpose of general information, without regard to filling a specific requisition for certain goods?

Mr. WEED. I think, in many small matters, that would be a most excellent course to pursue, and it is pursued quite extensively. I think there are larger matters, such, for instance, as this case, where uncertain quantities enter into the situation, where a formal proposal for bids would possibly bring better prices under competition.

Mr. McCoy. Under a subsequent competition?

Mr. WEED. I should think under that competition.

Mr. McCoy. I am not speaking to you about competitive bids; I have not asked you a word about competitive bids. I say exclude competitive bids from your mind and get down to the point of getting general information without reference to specific bids.

Mr. TOWNER. That is conceded.

Mr. WEED. I concede that. I think it is excellent, just to get all the general information you can.

Mr. McCoy. Now that Judge Towner has said that he concedes it, you concede it. You heard him concede the fact?

Mr. WEED. Yes, sir.

Mr. McCoy. So would any man under the sun concede it. I want you to answer my question, whether you ever heard of a case, or suspected there was ever a case, in any branch of the Government where this method was adopted for getting information without reference to furnishing a specific need at the time. Now, then, answer that question yes or no.

Mr. WEED. I think so; and, as I stated this morning, I request permission to bring you a later report. I can not be fairer than that.

Mr. McCoy. You think so; what makes you think so?

Mr. WEED. Simply because it seems to me quite natural, when in doubt over a certain proposition, to handle it in that way.

Mr. McCoy. All right. Let me ask you, now, this question: Do those bids become public?

Mr. WEED. Yes, sir.

Mr. McCoy. Then you think it is a fair proposition, when you want general information, to submit proposals to all these manufacturers to have them give up their prices to each other; is that what you think?

Mr. WEED. I think so, if you have an intention of purchasing. These bids are common property. Any of the public can be present when they are opened.

Mr. McCoy. Certainly, they can be public when they are opened, but when you are seeking general information, and do not mean to award any specific contract, do you think it is fair to get any of these competing concerns and have them go on record as willing to furnish things for a specific job when you do not mean—

Mr. WEED. I did not mean to go that far. Probably I was stupid and did not catch that point. I did not mean to do that merely to satisfy yourself on a point where you had no intention or thought of entering into a contract.

Mr. McCoy. That is it exactly. Now, then, take your own words, where you have no thought whatever of entering into a contract, but want general information; do you think that this is the proper way to go about getting the general information?

Mr. WEED. No.

Mr. REDFIELD. Mr. Weed, it is the custom of one of the large Departments of the Government where it desires to be informed on important matters, to send down for what it calls preliminary bids, stating to the manufacturers what the nature of the work required to be done is, and requesting them to tender to the Government officers what they propose to supply for that duty and at what price; it being understood, however, that no purchases are to be made and no prices are to be made public, but that this is purely for the purpose of obtaining information preliminary to issuing a definite specification based upon that information, to everybody.

Mr. WEED. Yes, sir.

Mr. REDFIELD. I say that that is the custom of one of the large Departments of the Government. That was not the custom you followed in this case?

Mr. WEED. No, sir.

Mr. REDFIELD. Instead of calling upon the manufacturers and stating to them your general wants and asking them to tender to you such a preliminary bid stating what they could supply, and at what price, so that, when so received, you might upon that base a specification, what you did was to draw a definite specification, which, in its precise form, could be supplied by but one manufacturer, and sent that out, with the inevitable result that not more than one could actually bid thereon: is not that so?

Mr. WEED. It turned out that way.

The CHAIRMAN. Mr. Weed, this Mr. Davis who replied to the Walker-Norton letter is your assistant chief?

Mr. WEED. Yes, sir.

The CHAIRMAN. I want to inquire of you whether or not you approve and indorse his reply to the letter addressed to the purchasing agent by the Shaw-Walker Co.?

Mr. WEED. I should not have written such a letter, Mr. Ashbrook.

The CHAIRMAN. It can hardly be considered a very courteous reply, can it?

Mr. WEED. It can not. May I say—and I think my record will bear me out—that I feel that a Government officer, no matter what the provocation, occupies a peculiar position to the public and to the Government and should not feel it incumbent upon him to enter into a controversy of any nature. I have had that thought ground into me by Mr. Hitchcock for years, and I think it is a most excellent idea. To my knowledge, I have never written a letter that would give offense to anyone; and I do not approve of the policy.

Mr. McCoy. Do you think Mr. Norton gave any cause for just offense to anybody in the letter he wrote?

Mr. WEED. I think it was unfortunate that such a letter came from Mr. Norton, representing the Shaw-Walker Co., because, so far as my information goes, that company could not compete for any file with a metal interior, and I think that when an accusation

of that nature is made, and the man receiving it takes that fact into consideration——

The CHAIRMAN. How do you know, Mr. Weed, that they could not compete for the first proposal?

Mr. WEED. For the steel interior?

The CHAIRMAN. Yes.

Mr. WEED. I say it was my opinion from such information as I have. If I am wrong I would like to know it; I really would be pleased.

The CHAIRMAN. I do not know that you are, but I simply desired to know if you knew that was the fact.

Mr. McCoy. I was asking the question with reference to standardizing letters to some of these departments. I would like to know in what respect that letter was or could be interpreted as being offensive in any way. How would you put such an interpretation on it as that?

Mr. ALEXANDER. Why is it necessary to go into that? He did not write the letter.

Mr. REDFIELD. I do not think we are here to investigate Norton's letter.

Mr. ALEXANDER. It speaks for itself. Our opinion ought to be on all fours with anybody else's as to a matter of taste.

Mr. McCoy. Because I thought there was an implication in the answer Mr. Weed gave to the effect that he considered the Norton letter offensive.

Mr. ALEXANDER. I really think it is a question on which he ought not to be called to express an opinion.

Mr. McCoy. But he did.

Mr. ALEXANDER. I know he did, but he did it in answer to a question by a member of the committee.

(The witness was excused.)

TESTIMONY OF MR. JOHN A. HOLMES—Recalled.

Mr. McCoy. Mr. Holmes, state again your position in the Government.

Mr. HOLMES. Purchasing agent of the Post Office Department.

Mr. McCoy. And it was through you that these proposals, which you have heard so much talk about, went?

Mr. HOLMES. Yes, sir.

Mr. McCoy. I want to ask you how long you have been in that department?

Mr. HOLMES. About two years and a half.

Mr. McCoy. You have a great many of these cases going through you all the time, have you not?

Mr. HOLMES. Yes, sir; the postal service also.

Mr. McCoy. Do you know of any case in which the method which was adopted here was used, when it was sought merely to get comparative costs of different kinds, meaning thereby different classes of articles, not for the purpose of competitive bids but merely for general information?

Mr. HOLMES. I do not recall any.

Mr. McCoy. What method would you adopt, if you wanted to find out in a general way whether a metal filing case cost more in the market than a wooden filing case, answering substantially the same requirements?

Mr. HOLMES. May I state a concrete case?

Mr. McCoy. Yes.

Mr. HOLMES. Week before last I made a memorandum to the Postmaster General in regard to platform scales for post offices. Information had come to me, or complaint had been made, that in constructing public buildings the pits—we use these big scales for weighing the mails—restricted competition in many instances. So, in order to get the widest possible competition, I told the Postmaster General I would like to go out and visit different manufacturers so I could standardize scales, and last week I went to New York and Philadelphia and saw several of them, and as a result of that we are going to send out bids.

Mr. McCoy. You got the comparative prices?

Mr. HOLMES. No; they gave me their lists.

Mr. McCoy. That would be a method for standardizing a specification?

Mr. HOLMES. Yes.

Mr. McCoy. But I am speaking of a case where you can not standardize. I am speaking of this particular case we have before us. There was in these proposals a requisition for bids for a part metal and part wood filing case, and also for all-metal filing cases. Those two kinds of case are in different classes, and you could not standardize them except as to the contents that they would take. What I mean is, if you wanted to find out the cost of one as contrasted with the cost of the other, and without any reference to getting a bid, would you not go to the manufacturers and get the prices which they charge for those things in the open market?

Mr. HOLMES. Before making any definite proposal?

Mr. McCoy. Yes.

Mr. HOLMES. Yes, sir. My trip would also apply in this case. I should think, in order to inform ourselves so we could make specifications to meet our requirements. I would send out a bid for that purpose, because that would give us their prices, but we do not usually do it that way.

Mr. McCoy. Have you ever sent for catalogues?

Mr. HOLMES. We have catalogues.

Mr. McCoy. And the catalogues have the prices in them, have they not?

Mr. HOLMES. We have a very complete list of catalogues.

(The witness was excused.)

TESTIMONY OF MR. C. W. NORTON.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Mr. Norton, with what firm or concern are you connected at this time?

Mr. NORTON. The Shaw-Walker Co.

Mr. ALEXANDER. As agent?

Mr. NORTON. Local manager; yes, sir.

The CHAIRMAN. You have a branch store here in the city, have you?

Mr. NORTON. Yes, sir.

The CHAIRMAN. Does your firm furnish supplies to the Government?

Mr. NORTON. Yes, sir.

The CHAIRMAN. How long has your firm been engaged in that business?

Mr. NORTON. We have been represented by a local branch here for the last two years.

The CHAIRMAN. At this time are you furnishing supplies to any departments of the Government?

Mr. NORTON. We are.

The CHAIRMAN. To what?

Mr. NORTON. To the various departments, including the Treasury, the Department of the Interior, the Department of Agriculture, and so forth.

The CHAIRMAN. What kind of supplies are you furnishing the various departments?

Mr. NORTON. Office filing devices, and the supplies that pertain to the same.

The CHAIRMAN. Do you handle the all-metal exclusively?

Mr. NORTON. Not exclusively; no, sir.

The CHAIRMAN. Do you handle wooden filing devices?

Mr. NORTON. Yes, sir.

The CHAIRMAN. And do you handle filing devices part wood and part metal?

Mr. NORTON. Not as a stock item. We have only one item, which, on account of width, makes it necessary to use metal sides on the drawers.

The CHAIRMAN. Did you receive a proposal from the Post Office Department sometime during the first part of this month to furnish filing devices for the Post Office Department?

Mr. NORTON. Yes, sir.

The CHAIRMAN. Did you make a bid.

Mr. NORTON. No, sir.

The CHAIRMAN. What is the reason you did not make a bid?

Mr. NORTON. The specifications were so drawn as to exclude any stock items on which we might bid.

The CHAIRMAN. Did you call that fact to the attention of the purchasing agent in the Post Office Department?

Mr. NORTON. Yes, sir.

The CHAIRMAN. The purchasing agent is Dr. Holmes?

Mr. NORTON. Dr. Holmes; yes, sir.

The CHAIRMAN. Did you receive a reply?

Mr. NORTON. After talking with Mr. Holmes about the matter, he directed me to forward him a letter, which he would transmit to the office of the chief clerk, which I did, a copy of which has been read before the committee.

The CHAIRMAN. You were here and heard the testimony of Mr. Weed. You heard him make the statement that he believed you were not in a position to make a bid on the first proposal?

Mr. NORTON. Not from stock goods we were not; no, sir.

Mr. ALEXANDER. By "stock goods," what do you mean? Do you manufacture those goods?

Mr. NORTON. It is feasible for any manufacturer of filing devices to make to order a line of sections such as the specifications call for; but from the fact that the specifications called for a yearly supply to be delivered in certain quantities, we could not bid, making an item special.

Mr. ALEXANDER. Where it is a stock item of some other firm?

Mr. NORTON. Yes, sir.

The CHAIRMAN. You were anxious, were you, to make a bid on the proposal for semimetal filing devices, and also for the all-metal?

Mr. NORTON. We were anxious to make a bid on filing cases under such specifications as would allow us to submit our stock items.

The CHAIRMAN. I gather from the reading of your letter to the purchasing agent, that letter having already been made a part of the record, that you felt that this proposal shut off all competition, and described the devices manufactured by one firm only.

Mr. NORTON. As to the item of metal interior cases, yes, sir.

The CHAIRMAN. What firm manufactured that, do you know?

Mr. NORTON. The Globe-Wernicke Co.

The CHAIRMAN. And, so far as you know, no other firm manufactured a device that would meet the requirements of the first proposal?

Mr. NORTON. Not as a stock item.

The CHAIRMAN. If it was not a stock item it would practically shut off all competition and make it special?

Mr. NORTON. Yes, sir.

The CHAIRMAN. And you wrote to Dr. Holmes asking him to modify the specifications in order to permit competition and bids from other firms. Was that the object in writing the letter?

Mr. NORTON. Yes, sir.

The CHAIRMAN. Mr. Norton, do you know Mr. Stevens, who, I believe, is the furniture expert in the Treasury Department?

Mr. NORTON. I do.

The CHAIRMAN. Have you had any business dealings or relations with him?

Mr. NORTON. Yes, sir.

Mr. MCCOY. What is his full name?

Mr. NORTON. W. W. Stevens.

The CHAIRMAN. Tell the committee what those relations were.

Mr. NORTON. For two years, for 1909 and 1910, we have held a contract for an annual supply of filing cases with the Treasury Department. This contract was given to us in 1909, the first contract, after inspection of our goods made by Mr. Stevens. During that period we have furnished filing devices to public buildings throughout the country. The line was inspected by Mr. Stevens, and a report made by him in such manner that we were given the contract, not only for one year, but for the succeeding year, 1910. In that period we have furnished, I presume, as far as the records that I have any knowledge of show, the second largest amount of filing devices to the Treasury Department except one firm. This firm has furnished practically three times as much goods as we have.

Mr. MCCOY. In that same period?

Mr. NORTON. In that same period; yes, sir.

The CHAIRMAN. What firm is that?

Mr. NORTON. The Globe-Wernicke Co.

Mr. McCoy. You mean filing devices?

Mr. NORTON. Filing devices; yes, sir.

Mr. McCoy. That is, they furnished three times in quantity the number of filing devices you have furnished in that contract period?

Mr. NORTON. They have.

The CHAIRMAN. How could they furnish three times as much goods in that time if you had the contract?

Mr. NORTON. The contracts with the Treasury Department are made in this manner: Filing devices of all manufacturers have been used in public buildings throughout the country for a number of years. Additions must be made to stacks that are in use in public buildings—to all makes that are practically in use to-day. It is apparently necessary for the Treasury Department to make annual contracts with all manufacturers of filing devices on approved samples in order that they may order as occasion arises for supplying additional sections to stacks that are already in use. In submitting our bid to the Treasury Department it appears, as a matter of price, that our proposition made to them covering this contract for two years has been extremely more favorable than that of the Globe-Wernicke Co.

Mr. SLEMP. Favorable to the Government, you mean?

Mr. NORTON. To the Government. The samples, it must be borne in mind, have been examined and approved, and we have been in a position for two years to supply public buildings with filing devices, so that the samples could be very well tested as to their character and merit. It has always been our contention, in handling this contract, that, owing to our price, the capacity of our line, the methods of construction used in our line, and the all-around quality of the line, we were entitled to all new installations in public buildings covering the period of the running of the contract.

Mr. McCoy. Do they come within the jurisdiction of the Treasury Department?

Mr. NORTON. Yes, sir; under the office of the Supervising Architect.

Mr. McCoy. And was your contract such that, under it, you could have been required, as a matter of law, to furnish these devices in all buildings which were supplied under orders from the Treasury Department?

Mr. NORTON. Yes, sir.

Mr. McCoy. That is, you could have been forced to deliver all those devices as called for?

Mr. NORTON. We were under contract to do so.

Mr. McCoy. I mean you were under a legal obligation to do it?

Mr. NORTON. Yes, sir.

Mr. McCoy. I just wanted to bring that out. Now go ahead with your statement.

Mr. NORTON. I have mentioned the fact that orders have been given to the firm that I have mentioned for possibly three times as much equipment as have been given to our own. This has been a matter which has been taken up by our concern with the officials of the department repeatedly, resulting, some length of time ago, in a decision on the part of the Supervising Architect that we were

entitled, under our contract, to new installations in public buildings; that the matter of the samples could not be questioned, inasmuch as they had already been accepted under the inspector who was directed to give us the business. We have learned frequently of installations being made and orders being given to the Globe-Wernicke Co., irrespective of our contract, and we have repeatedly protested the matter to the department. The matter is now at issue before them in a very definite and tangible shape.

Mr. REDFIELD. In precisely what shape?

Mr. NORTON. There has been submitted to the Secretary of the Treasury a united protest by manufacturers of filing devices located in the city, praying relief from the present conditions, whereby the orders are given to this competitor irrespective of the holding of the contracts by the other concerns.

Mr. REDFIELD. Do you know who the parties to that protest are?

Mr. NORTON. Yes, sir.

Mr. REDFIELD. Who are they?

Mr. NORTON. The concerns represented in that are the Yawman & Erbe Manufacturing Co., the Library Bureau, W. B. Moses & Sons, the Derby Desk Co., and the Shaw-Walker Co.

Mr. REDFIELD. Have you a copy of that protest with you?

Mr. NORTON. No, sir; I have not with me here.

The CHAIRMAN. It is on file?

Mr. NORTON. With the Secretary of the Treasury.

The CHAIRMAN. Could you furnish the committee with a copy of that protest?

Mr. NORTON. That is at present in the hands of the Secretary.

The CHAIRMAN. You did not retain a copy of it?

Mr. NORTON. I have not a copy personally; no, sir.

Mr. ALEXANDER. Can you give us the substance of it? Against whom is that protest leveled?

Mr. REDFIELD. What does it say?

Mr. NORTON. The general points are covered in more or less technical cases wherein orders have been given to this particular firm——

The CHAIRMAN. I wish, when you refer to the firm, you would mention it.

Mr. NORTON. I refer to the Globe-Wernicke Co.

Mr. REDFIELD. Do you mean, Mr. Norton, that the committee shall understand that this protest, signed by these five concerns, cites definite cases in which orders have been given to the Globe-Wernicke Co. under circumstances which these concerns unite in thinking are unjustifiable?

Mr. NORTON. That has already been given to the department in testimony that has been made previous to this. That has been a matter of record with the department and would appear from their records.

Mr. REDFIELD. But you wish the committee to understand, do you not, that these concerns unanimously feel that there have been definite cases, which you say are on record, in which orders have been given to the Globe-Wernicke Co. under circumstances which you unite in thinking are unjustifiable?

Mr. NORTON. I think that is understood by the testimony.

Mr. ALEXANDER. What is nature of this protest that is on file with the Treasury Department? Can you not give us in a few words what it is?

Mr. NORTON. As far as we are individually concerned as a firm, it has been a matter of protest with us ever since the contract has been held, the sum and substance of which is that, having made the contract with the department, with the statement on the part of the department that we were entitled to the business for new installations, orders have been given to another concern that we feel we have been entitled to.

Mr. SLEMP. Is your contract with the department an exclusive contract?

Mr. NORTON. No, sir.

Mr. SLEMP. You mentioned that your contract was made along with a statement made to you by the department that you were to have the installation of new devices in new offices.

Mr. NORTON. The statement was made.

Mr. SLEMP. Was that statement made to you verbally or given to you in writing?

Mr. NORTON. No; verbally.

Mr. SLEMP. Who made the statement?

Mr. NORTON. The statement was made by the Supervising Architect.

Mr. SLEMP. That is, Mr. Taylor?

Mr. NORTON. Mr. Taylor.

Mr. SLEMP. When did he make it?

Mr. NORTON. I think his first statement to that effect was made about a year and a half ago.

Mr. SLEMP. Is your criticism of the action of the department in permitting another company to install devices based on a violation of the contract, or did you put in lower bids for devices?

Mr. REDFIELD. Or both?

Mr. SLEMP. Or both; yes.

Mr. NORTON. Our bid with the department was lower.

Mr. SLEMP. Then there are cases, you contend, where filing devices have been installed, where the Globe-Wernicke Co.'s bid was higher than your bid?

Mr. NORTON. Yes, sir.

Mr. SLEMP. Can you point us more particularly to those instances?

Mr. NORTON. You mean the particular localities?

Mr. SLEMP. Yes, sir; if the committee would like to hear it.

Mr. NORTON. I can furnish those to the committee; I have not a record of those with me.

The CHAIRMAN. About how many are there, would you think?

Mr. NORTON. That would be very hard for me to tell, for the reason that I am not in touch with the situation at every public building.

The CHAIRMAN. Mr. Norton, who is responsible for the giving of the installation of these devices in the new public buildings to the Globe-Wernicke Co.?

Mr. NORTON. It is my understanding that the arrangement for ordering filing devices for these buildings rests in the hands of the Bureau of Equipment, of the Supervising Architect's office.

Mr. REDFIELD. Of which the head is Mr. W. W. Stevens?

Mr. NORTON. I think not nominally; I think Mr. Robinson is the head of that bureau.

The CHAIRMAN. Does Mr. Stevens have anything to do with it?

Mr. NORTON. Mr. Stevens is the inspector.

Mr. REDFIELD. Do I infer correctly, Mr. Norton, that the excuse which is given for failing to purchase your goods and for paying a higher price for goods made by the Globe-Wernicke Co. is an allegation that your goods are inferior in quality?

Mr. NORTON. I see no reason why discrimination could be made in any direction unless that were imputed.

Mr. REDFIELD. And do we infer correctly that your answer to that is that the sample submitted by you has been approved?

Mr. NORTON. It has.

Mr. REDFIELD. And are you prepared to furnish goods in all respects conforming to the sample?

Mr. NORTON. Always.

Mr. SLEMP. Now, I want to ask you about a suggestion you made a moment ago, that you did not bid on the filing devices in the Post Office Department because the specifications were so drawn as to exclude any stock items.

Mr. NORTON. Yes, sir.

Mr. SLEMP. Do you carry what are known as standard items in your stock?

Mr. NORTON. Yes, sir.

Mr. SLEMP. In what respect do the specifications differ from the standard items of your stock, so far as the 75 items are concerned?

Mr. NORTON. In that the sections called for are specified to have metal interiors.

Mr. SLEMP. That is what I understood to be the case. Do you not think that it is a good policy on the part of the department to install the devices having metal interiors?

Mr. NORTON. I see no advantage in them whatsoever.

Mr. SLEMP. Is it not a protection against fire?

Mr. NORTON. Not at all.

Mr. SLEMP. Do you take the position that you would prefer to have a wooden interior case to having a metal interior case?

Mr. NORTON. I feel there are many more advantages in having a wooden interior case with wooden exteriors than in having metal interiors with wooden exteriors.

Mr. McCoy. As a matter of fact, in your opinion, Mr. Norton, is there any sort of extra fire protection in having a metal interior?

Mr. NORTON. I never conceived how there could be such.

Mr. McCoy. Is it not quite likely, on the contrary, that if you have metal and wood combined, the wood will ignite sooner through the heated metal than if it were all-wood construction?

Mr. NORTON. I would feel that with single metal sides, as represented in these specifications, the combustion would be more apt to set in with the material in metal-bodied cases, perhaps, than in beech or birch bodies.

Mr. McCoy. I have not read these specifications. Did they call for any exterior metal work on the 75 units?

Mr. NORTON. No, sir.

Mr. McCoy. But all interior?

Mr. NORTON. All interior: yes, sir.

Mr. McCoy. Do you think, with reference to the first risk, that a wooden drawer with a metal interior is more likely to ignite or get into a combustible state than an all-wood drawer?

Mr. NORTON. I think it would be admitted that metal is more conducive to heat in the interior layers than oak. Oak is a resistive wood and is a hardwood.

Mr. McCoy. That would be true, undoubtedly, I should think, with the metal on the exterior; but suppose you had an oak drawer lined with metal, do you think that metal lining would add to the combustibility of the drawer as compared with a wooden drawer all through?

Mr. NORTON. That would be a difficult question to answer, Mr. McCoy. I have never seen such a construction as that.

Mr. McCoy. I understand the Globe-Wernicke Co. has a wooden drawer with an interior lining of metal.

Mr. NORTON. A metal body; yes, sir.

Mr. McCoy. That is, it is metal all surrounded by wood?

Mr. NORTON. Wood on the exterior; yes, sir.

Mr. McCoy. So that you do not see the metal until you open the drawer?

Mr. NORTON. No, sir.

Mr. McCoy. I was wondering whether that metal would become superheated sooner than the exterior would.

Mr. NORTON. That is a question very difficult to answer. You understand this is entirely a new device which the Globe-Wernicke Co. have put out?

Mr. McCoy. You do not know of anything in this line of goods, or in any other line of goods, which would demonstrate that point?

Mr. NORTON. No, sir.

Mr. McCoy. So that the purchase of this device on any theory that it would be more fireproof than all wood would be a rough guess as to what the outcome would be?

Mr. NORTON. I think so. It is purely a matter of conjecture.

Mr. McCoy. Is there any test you have ever heard of that has been applied to any such construction?

Mr. NORTON. No, sir.

The CHAIRMAN. Have you been receiving, from time to time, Mr. Norton, offers to make bids for supplies in the Post Office Department?

Mr. NORTON. Yes, sir.

The CHAIRMAN. You have received them within recent months?

Mr. NORTON. Yes, sir.

The CHAIRMAN. Have you ever made any bids?

Mr. NORTON. I have.

The CHAIRMAN. This is the first proposal, then, that you have received from the Post Office Department with which you found it impossible to comply, or to make a bid?

Mr. NORTON. Well, this is the first instance I know of of bids being advertised for the particular jurisdiction of the office referred to in the inquiry.

Mr. McCoy. Meaning the Globe-Wernicke office?

Mr. NORTON. I mean the office of the chief clerk. Our relations with the Post Office Department have hitherto applied to the Division of Supplies, to whom we have quoted on material that would not be directly purchased under the jurisdiction of the chief clerk.

The CHAIRMAN. Do you charge that there has been any favoritism shown in the letting of these contracts, or the awarding of the proposals for bids, or otherwise?

Mr. NORTON. We never have had an opportunity to bid to the department proper under the jurisdiction of the chief clerk.

The CHAIRMAN. You never have had an opportunity?

Mr. NORTON. No, sir.

The CHAIRMAN. Never have had an offer to bid?

Mr. NORTON. Not that I recollect.

Mr. McCoy. I am not quite clear, Mr. Norton, about the scope of your two-year contract with the Treasury Department. Under that contract what can they call upon your company to supply?

Mr. NORTON. They can call on us to supply anything represented as a stock item in our catalogue; anything in the nature of a filing cabinet or section which we catalogue as a stock item.

Mr. McCoy. And in just such quantities as they care to?

Mr. NORTON. Yes, sir.

Mr. McCoy. To be furnished anywhere to anybody connected with the Government service?

Mr. NORTON. No, sir; to be furnished to public buildings throughout the country under the jurisdiction of the Supervising Architect's Office.

Mr. McCoy. What public buildings in the country are under such jurisdiction, if you know?

Mr. NORTON. United States courthouses, United States post offices, and all Federal buildings that are erected and maintained under the jurisdiction of the Supervising Architect's office.

Mr. McCoy. Do I understand correctly that Mr. Taylor, the Supervising Architect, when you complained to him that your company was not being called upon to furnish articles included in your contract for such buildings as you have mentioned, stated to you that his interpretation of the contract was such as, in his opinion, to make it imperative that the Government should legally give you that business?

Mr. NORTON. On new installations where it was not of necessity to add to stacks, where sections had to fit on sections then in use, that was my understanding.

Mr. McCoy. That is what you understood him to mean; that his interpretation of the contract entitled your company legally to such new installation business for the period as covered by it in these various buildings?

Mr. NORTON. Yes, sir.

Mr. McCoy. And did he undertake to explain to you why you were not getting it?

Mr. NORTON. No.

Mr. McCoy. He said nothing about that?

Mr. NORTON. He said we were entitled to the business.

Mr. McCoy. Did he say, in view of your complaint, he would do anything or take any steps?

Mr. NORTON. We asked him to confirm his statement in writing, which he assured us he would do.

Mr. McCoy. Did he do it?

Mr. NORTON. Not directly.

Mr. McCoy. Did he do it indirectly?

Mr. NORTON. Indirectly; yes.

Mr. McCoy. How.

Mr. NORTON. After several requests made on our part for that letter in question, we received a letter purporting to answer our in-

quiry, but which, as a matter of fact, did not, was beside the issue, and was framed in such a manner that it had no bearing on the question at issue, such letter evidently emanating from the Division of Equipment.

Mr. McCoy. Who signed it?

Mr. NORTON. It was signed by Mr. Taylor: I might add Mr. Taylor afterwards explained to us that he signed the letter as a matter of course. But in full justice to Mr. Taylor it should be stated that the letter had no bearing whatsoever upon our inquiry and Mr. Taylor was perfectly justified in signing it.

Mr. McCoy. That is, you have no complaint against Mr. Taylor in this matter?

Mr. NORTON. Feeling as I do that the letter was not dictated by Mr. Taylor and that he signed it as a matter of course, I have absolutely none.

Mr. McCoy. Have you the letter with you?

Mr. NORTON. No, sir.

Mr. McCoy. Will you produce a copy of the contract and the letter?

Mr. NORTON. I could, I think, produce both; yes, sir.

Mr. ALEXANDER. In the proposal for the filing sections for the Post Office Department—the all-metal sections of 108 units—do you carry a stock of that description?

Mr. NORTON. In metal?

Mr. ALEXANDER. Yes.

Mr. NORTON. We do not manufacture a metal line; no, sir.

Mr. ALEXANDER. And you were not bidders for the all-metal?

Mr. NORTON. We are bidders in this sense, Mr. Alexander, that we are enabled to obtain through a contract with another house, not our own, and do sell in Washington, a line of metal stock sections.

Mr. ALEXANDER. Does any other firm except the Globe-Wernicke Co. manufacture goods that conform to the description of 108 units as the alternative in the proposal under consideration?

Mr. NORTON. You refer to the metal units?

Mr. ALEXANDER. Yes.

Mr. NORTON. Why, I presume yes.

Mr. ALEXANDER. It is only the 75 units, you say, that no other firm except the Globe-Wernicke Co. manufactures or keeps in stock.

Mr. NORTON. I know of no other concern that carries those in stock.

Mr. SLEMP. That is a very recent arrangement, the metal-interior case?

Mr. NORTON. It is my understanding it has been on the market about two months.

Mr. McCoy. You do not understand it is patented, do you?

Mr. NORTON. I am not sure as to that, whether there are any patents or not of the device.

Mr. SLEMP. Do you know whether your company will in the future try to keep such devices in stock?

Mr. NORTON. I see no intrinsic merit in such a device.

Mr. SLEMP. Do you see any likelihood of a demand being made for such a device?

Mr. NORTON. No. Personally, I would say that I do not.

Mr. McCoy. You would not advise your company to get busy and make these as a stock article, preferably?

Mr. NORTON. Not at all.

Mr. REDFIELD. Do you mean you have as good or a better device for the purpose?

Mr. NORTON. I always feel that with oak construction, full cabinet construction, it is infinitely superior to metal with wood.

Mr. TOWNER. Your position is, as I understand it, Mr. Norton, that if one prefers wood there is no advantage in mixing the metal up with it?

Mr. NORTON. I would not see any advantage.

Mr. TOWNER. Because of the fact that being partial wood and partial metal construction, in case of even a light fire, an interior fire, the wood being inflammable, the whole thing would collapse and there would be no fire protection?

Mr. NORTON. I hardly think you could say that oak construction would be inflammable.

Mr. TOWNER. I am speaking about this mixed construction and the proposition of fire protection because of this mixed construction.

Mr. NORTON. I do not see that it offers any additional protection.

Mr. TOWNER. If there is any advantage in the metal construction, it ought to be all metal?

Mr. NORTON. If there is any advantage; yes, sir.

Mr. TOWNER. I would like to have Mr. Norton bring before the committee his contract and the letter to which he refers, because it is impossible for us to understand the matter without having the contract.

The CHAIRMAN. We will be glad to have you, Mr. Norton, furnish to-morrow, if you can, a copy of your contract with the Treasury Department and also the letter, or a copy of the letter, you received from Mr. Taylor.

Mr. REDFIELD. Before you are excused, do you know anything of the social relations, or personal friendship, existing between the manager of the Globe-Wernicke Co. and the inspector in the Bureau of Equipment, Treasury Department?

Mr. TOWNER. That would lead us into the realm of gossip.

Mr. NORTON. What is the question?

Mr. REDFIELD. Do you know of the social relations, or personal friendship, between the inspector, Mr. Stevens, and the manager of the Globe-Wernicke Co.?

Mr. NORTON. I understand the relations are friendly.

Mr. REDFIELD. You have no personal knowledge of them?

Mr. NORTON. I have not any personal knowledge of anything more than that they are friendly.

Mr. McCoy. Do you know anything about the qualifications of Mr. Stevens as a furniture expert? I am not asking for your opinion, but as to what has qualified him in the way of experience to be called a furniture expert?

Mr. NORTON. Well, Mr. Stevens has been the incumbent of this position ever since I have been in Washington, and as a matter of direct knowledge, it would be a little difficult for me to say. At least, I was not in Washington at the time when he held his previous position. The only manner in which I could judge would be from my personal observation in his visits of inspection, whereby he inspected the line which we represent.

Mr. McCoy. What opinion did you form of him as an expert when he inspected your line of goods?

Mr. NORTON. Well, I would say, personally, that I would feel from observation he is lacking in basic knowledge.

Mr. MCCOY. On your line, or similar lines?

Mr. NORTON. Of filing devices.

Mr. MCCOY. That is all I want.

Mr. TOWNER. Did he approve of your line?

Mr. NORTON. Approve of it?

Mr. TOWNER. Yes.

Mr. NORTON. Why, as I mentioned before, contracts have been made with several concerns, and he approved our own samples.

Mr. TOWNER. You would not criticize or condemn his judgment because of his approval?

Mr. NORTON. Because of his approval of my line?

Mr. TOWNER. Yes.

Mr. NORTON. Well, I feel this, that Mr. Stevens could not in any manner have vindicated his judgment in not awarding a contract for the line which we represent.

The CHAIRMAN. You are excused, and I would be glad to have you, Mr. Norton, return to-morrow, if you possibly can, and bring the contract and letter, or copies of the same.

TESTIMONY OF FRANK C. ROACH.

FRANK C. ROACH was called as a witness and, being first duly sworn, testified as follows:

The CHAIRMAN. Mr. Roach, are you in business in this city?

Mr. ROACH. I am.

The CHAIRMAN. With what concern are you connected?

Mr. ROACH. The Yawman & Erbe Manufacturing Co.

Mr. TOWNER. Are you the local manager?

Mr. ROACH. Resident manager at the present time; yes, sir. Just the local manager.

The CHAIRMAN. What line of goods does your house handle?

Mr. ROACH. Office filing devices in business systems.

The CHAIRMAN. State whether or not you have been making bids and receiving contracts with the Government for filing devices.

Mr. ROACH. I have.

The CHAIRMAN. In what department have you received contracts?

Mr. ROACH. I have been the local manager of the house I represent for 11 years past, for the District, and part of the time for outlying territories.

The CHAIRMAN. Do you hold any contracts for office devices in the Post Office Department at this time?

Mr. ROACH. No contracts of any consequence at the present time.

The CHAIRMAN. Did you receive an offer from the purchasing agent of the Post Office Department on or about the 1st of this month to furnish filing devices for the Post Office Department?

Mr. ROACH. I did.

The CHAIRMAN. Did you make a bid?

Mr. ROACH. I did not.

The CHAIRMAN. Why did you not make a bid?

Mr. ROACH. The reason is specific, but I can explain it at length. Briefly, however, because the specifications were so restricted in their nature that we could not bid to the advantage of the department or our own interests.

The CHAIRMAN. In what respect were they restricted?

Mr. ROACH. Have you a copy of the bid here?

(A copy of the bid was furnished to the witness.)

Mr. ROACH (continuing). The first item, calling for 75 horizontal units, specifies that the interior drawer work shall be all steel, and conditional upon the proposal is the further fact that we would further "agree to furnish subsequently any additional quantities of the supplies listed as often as requested during the fiscal year at the same price, unless otherwise stated herein."

We do not make units such as are specified here three drawers wide. That is the first reason.

The second is that on our stock construction we do not use the steel interiors.

The third reason is that if we were to make them special we could not deliver one article at the price of 75, because it is one of the underlying principles of production that the greater the quantity of an article produced the smaller the cost, until the maximum of efficiency has been reached in the machinery and operative work generally.

To go a little further, the built-up, three-ply drawers are not made by us; we make five-ply drawers.

Mr. MCCOY. Five plies of wood or metal?

Mr. ROACH. Five plies of wood. I realized from the nature of these specifications that it would be futile to attempt to bid on our stock articles; also that while we could and do make certain special drawers with metal interiors, for certain specific reasons, to gain the advantage of space, for instance, where we can not use a wooden partition three-eighths or one-half inch thick, we use steel sides to get within a certain width or a certain depth. As I stated, it would not have been gain to the Government or to my firm to make a proposal.

The CHAIRMAN. Do you know whether or not the specifications first proposed described the stock goods of any particular firm?

Mr. ROACH. They described what I understand to be the standard stock construction of the Globe-Wernicke Co.

The CHAIRMAN. Any others?

Mr. ROACH. Not to my knowledge.

Mr. REDFIELD. You are familiar with the various lines of these articles furnished by your competitors?

Mr. ROACH. I have had about 12 years' experience.

Mr. REDFIELD. In other words, Mr. Roach, do we understand correctly that these specifications would exclude your standard goods, and if you were to comply with them it could only be by furnishing special articles made to order, and that they are also so drawn that whereas they appear to be for quantities of 75, in the first case, they might require you at the same price to furnish one or two or three later, throughout the year?

Mr. ROACH. You state the case correctly from our viewpoint.

Mr. REDFIELD. As a matter of fact, even if you did supply the 75 at a profitable price to your company, the furnishing of one or two at odd times might make them cost far more to you than you could get for them?

Mr. ROACH. We would lose money on them.

Mr. SLEMP. Unless you had decided to carry them in stock?

Mr. ROACH. Under present conditions, yes.

Mr. ALEXANDER. The all-metal alternative bid calls for 108 units. Do the specifications cover stock items of your concern?

Mr. ROACH. They do not.

Mr. ALEXANDER. Do you make an all-metal device?

Mr. ROACH. We do not.

Mr. ALEXANDER. Hence in any event you were not in a position to compete for the all metal?

Mr. ROACH. We did not make it.

Mr. ALEXANDER. As to respective merits, I mean?

Mr. ROACH. Your question to me was: Was I in a position to compete?

Mr. REDFIELD. Yes.

Mr. ROACH. No, we are not.

Mr. REDFIELD. You do not manufacture the all metal?

Mr. ROACH. No.

Mr. REDFIELD. What kind of a device do you manufacture?

Mr. ROACH. Quartered oak and mahogany.

Mr. ALEXANDER. You do not manufacture a metal device or semi-metal device at all?

Mr. ROACH. We do not.

Mr. ALEXANDER. Is there any advantage, so far as fireproofing is concerned, in having a metal device?

Mr. ROACH. Why, as metal is added to any article the conduction of heat is intensified, on the same principle that an article is placed in a metal skillet to cook, because it will cook quicker than on a wooden board.

Mr. ALEXANDER. If that cabinet there [indicating] were metal and any part of the contents would catch fire, it would burn far more readily than if incased in walnut?

Mr. ROACH. Any heat that is sufficiently intense to destroy a hardwood cabinet or container of any kind, if the same cases were made of metal, would first destroy the contents because of the conduction of heat through the metal.

Mr. TOWNER. I disagree absolutely with that.

Mr. REDFIELD. That is a fact, though. It has been proven. I want to ask Mr. Roach whether you know Mr. Stevens, personally?

Mr. ROACH. I do.

Mr. REDFIELD. Have you ever had any disagreement with Mr. Stevens?

Mr. ROACH. Not that I know of.

Mr. REDFIELD. Has he ever criticized adversely goods of your manufacture?

Mr. ROACH. He has.

Mr. REDFIELD. And for good and sufficient reasons, in your judgment?

Mr. ROACH. No, sir.

Mr. REDFIELD. Do you know anything of his relations with the manager of the Globe-Wernicke Co.?

Mr. ROACH. Nothing of personal knowledge.

Mr. REDFIELD. Do you care to state to the committee, fully, what your personal relations with Mr. Stevens are?

Mr. ROACH. Why, simply that of coming in contact with him as the inspector of furniture for Federal buildings, in connection with contracts which are annually awarded to different concerns.

Mr. REDFIELD. Do you know anything of this list of dependable and nondependable houses?

Mr. ROACH. I have heard it spoken of.

Mr. REDFIELD. You have heard it said here that your house was among those which were on the dependable list?

Mr. ROACH. The dependable list; yes.

Mr. REDFIELD. You have heard that?

Mr. ROACH. Yes, sir.

Mr. REDFIELD. For the class of case you manufacture? What is your judgment of Mr. Stevens's knowledge of office devices?

Mr. ROACH. I regard it as deficient.

Mr. REDFIELD. Now, be frank with the committee. Is it deficient in technical knowledge of the art of making, assembling, and manufacturing the devices? Is that what you mean?

Mr. ROACH. I regard him as hypercritical to the disadvantage of practical utility.

Mr. REDFIELD. You regard his knowledge as superficial?

Mr. ROACH. I do.

Mr. REDFIELD. Did you join in the protest which you have heard mentioned here?

Mr. ROACH. My concern did.

Mr. REDFIELD. When you say that, do you mean that it was done by your house officially and not by you?

Mr. ROACH. It was done by them through me, as their local representative.

Mr. REDFIELD. For what reason did you join in that protest?

Mr. ROACH. The Court of Customs Appeals was equipped with furniture and the accessories pertaining to office use and court room. Before any definite action was taken I had canvassed the situation personally and had effected a sale of my products, amounting to possibly \$200. I can not recall the exact figures at this time.

Mr. McCoy. Effected a sale with whom?

Mr. ROACH. The Court of Customs Appeals, through the chief clerk, whose name I do not recall.

Mr. McCoy. The chief clerk of the court.

Mr. ROACH. Yes. I was informed in the course of a few days not to make delivery of the articles which they had specified for delivery; also that the assistance of Mr. Stevens, the inspector of furniture for the Supervising Architect's Office, had been secured, and that he would go over the entire matter. My order was turned down by Mr. Stevens, and instead I received an order from him for this department amounting to about \$77.50, with instructions to deliver it to the Court of Customs Appeals, and to bill it to the Globe-Wernicke Co. I then received a letter from them——

Mr. McCoy. From whom?

Mr. ROACH. I received a letter from the Globe-Wernicke Co., requesting a courtesy discount of 10 per cent, which I refused.

Mr. McCoy. On this \$77 order?

Mr. ROACH. Yes, sir. Later the Court of Commerce was equipped——

Mr. SLEMP. Do I understand you furnished the \$77 worth of goods?

Mr. ROACH. I delivered them to the Customs Court of Appeals, and sent my bill for the same at net list price to the Globe-Wernicke Co.

The CHAIRMAN. Who paid your net list price?

Mr. ROACH. The Globe-Wernicke Co.

Mr. REDFIELD. While we are on that subject, your direct bid was rejected on a certain amount of your goods?

Mr. ROACH (interposing). Just a moment, please. It was not a bid; it was a verbal offer.

Mr. REDFIELD. Yes; your verbal offer was rejected.

Mr. McCoy. Let me get that straight. The contract which you had made with the chief clerk of the court was repudiated?

Mr. ROACH. Yes.

Mr. SLEMP. I did not understand you had a contract?

Mr. ROACH. It was only the kind of contract which one man will make with another—that “I will deliver this to you for this price.”

Mr. SLEMP. And he said, “Send it up”?

Mr. ROACH. Yes, sir.

Mr. REDFIELD. That transaction which you have described was nullified and a certain amount of your goods was ordered through your competitor—that is, the Globe-Wernicke Co.?

Mr. ROACH. No, sir. I received the order from Mr. Stevens.

Mr. REDFIELD. Ah, yes. Now, be very specific in telling us how you received an order for a certain amount of your goods from Mr. Stevens. How was it?

Mr. ROACH. Verbally.

Mr. REDFIELD. With instructions about what?

Mr. ROACH. To deliver them to the Court of Customs Appeals, and to bill them to the Globe-Wernicke Co.

Mr. McCoy. And those goods for which you received those verbal instructions from Mr. Stevens were part of the goods which you had previously included in your contract with the chief clerk of the court?

Mr. ROACH. They were not.

Mr. McCoy. They were something entirely different?

Mr. ROACH. Something entirely different, to the best of my recollection.

Mr. REDFIELD. Now, will you proceed? I think you were going on about the Court of Commerce.

Mr. TOWNER. Just a minute, please. Can you give the committee approximately the amount of your first bid?

Mr. ROACH. To which bid do you refer?

Mr. TOWNER. As I understand it, the clerk of the Court of Customs Appeals made an order to you which you agreed to furnish?

Mr. ROACH. I said it was my impression that it was about \$200. There were several cases, and now it will be impossible for me to figure out what they were or what the price was, accurately.

Mr. TOWNER. That is all right.

Mr. ROACH. Having had this experience with the Court of Customs Appeals, and being also informed by others in our line of manufacture, as well as desk manufacturers and others, that they had been accorded similar treatment in connection with the Court of Customs Appeals, we decided to enter a protest with the Court of Commerce against Mr. Stevens's being permitted to participate in the matter of selecting filing equipment for desks, and also in the

matter of making an award. Our protest was unavailing. The record shows, I believe, that Mr. Stevens did serve in such a capacity and dispensed orders which did not include some of us who had filed the protest.

Mr. REDFIELD. To whom were those orders given?

Mr. ROACH. I am unable to state specifically with regard to all orders, but I recall a communication from the department addressed to some one in our line of manufacture, or to myself—I can not remember now whether I received it or not, and this is to the best of my knowledge and belief, of course—stating that a tentative order had been awarded the Globe-Wernicke Co. for filing equipment and for desks and chairs.

Mr. McCoy. What did you understand by a “tentative order”?

Mr. ROACH. That is a matter of personal opinion, sir. I have my opinion; it may be different from yours.

Mr. McCoy. What is yours? Did the letter which you referred to contain the word “tentative”?

Mr. ROACH. The letter that I referred to contained the word “tentative.”

Mr. McCoy. And what was your interpretation of the meaning of that?

Mr. ROACH. I am not quite clear, sir, as to what it would be.

Mr. McCoy. That is, you do not comprehend what a tentative order is?

Mr. ROACH. It may be almost anything.

Mr. REDFIELD. Did you ever fill a tentative order?

Mr. ROACH. Not to my knowledge.

Mr. REDFIELD. Do you know who filled the order?

Mr. ROACH. I have not personal knowledge of that point.

Mr. REDFIELD. You did not?

Mr. ROACH. I did not. In justice to the department, so far as my company is concerned, I should add that my own proposal was received, according to the records of the department, too late for classification, and was returned to me.

Mr. McCoy. What department?

Mr. ROACH. The Court of Commerce.

Mr. McCoy. Just a minute. Your proposal had to be submitted to whom?

Mr. ROACH. To the Court of Commerce; to Mr. Starek, who, I believe, is the marshal.

Mr. McCoy. And that is what you mean by “department”?

Mr. ROACH. Yes, sir; I mean the Court of Commerce.

Mr. McCoy. And not a department?

Mr. ROACH. No; I simply refer to it as a branch of the Government service.

Mr. McCoy. That is not a department, and we might get confused.

Mr. ROACH. Well, the court.

Mr. McCoy. I thought you meant the Treasury Department.

Mr. ROACH. I might go further on that particular point and state that it was not materially important to us as to whether or not our bid was received in time so far as our hope of securing any order was concerned, because we had made unavailing efforts to secure information through Mr. Starek, the marshal of the court.

Mr. McCoy. As to what would be called for?

Mr. ROACH. As to what would be called for; and our efforts also to have concise specifications drawn were equally unavailing. We were referred to no one, and my salesman, who has charge of that territory, and I, were simply informed that we should bid what, in our opinion, would best meet the requirements of the court in our line of manufacture.

Mr. McCoy. Without being informed what the requirements of the court were?

Mr. ROACH. Exactly. I had other reasons for thinking that our bid would not receive any favorable action.

Mr. REDFIELD. What were they, Mr. Roach?

Mr. ROACH. Mr. Starek, the marshal of the Court of Commerce, was formerly chief clerk, or occupied a position of similar tenor to the collector of customs.

Mr. REDFIELD. Where?

Mr. ROACH. Of the Treasury. Collector of internal revenue, I believe it was. At least, that branch of the Treasury Department which has under it the corporation bureau tax. I was called on to submit a figure for equipment, by the clerk who had immediate charge of this bureau. He stated to me that he wanted to get specifications from others and from us also. I drafted a plan, made a quotation, and was informed that it was along a certain line that they wanted to buy their cases. That is, that they were to be one drawer wide and several drawers high. I can not recall the particular number of drawers now. I submitted my figures and made several efforts to interview Mr. Starek, without success. I finally made an appointment with him over the phone to see him before he left for Ohio to vote in the annual election. I went to the office that afternoon in time to interview him and was informed that he had left the city. The lady who acted as his stenographer inquired my business and I replied that I had called to see what disposition would be made of the proposal for filing cabinets for the Bureau of Corporation Tax. She stated, "Oh, yes; you are from the Globe-Wernicke Co." I made no reply. She said, "We mailed you an order awhile ago."

I was given no opportunity to submit figures on an entirely different equipment which was afterwards received by this bureau from the Globe-Wernicke Co. Consequently, when Mr. Starek became marshal of the Court of Commerce and I was informed that he and Mr. Stevens had been seen in conference in Mr. Stevens's office, pondering a Globe-Wernicke catalogue, I was satisfied that I might just as well not enter a bid for the Court of Commerce. That explains that feature.

Fearing that there would be a development of power in the office of inspector of furniture, there was a mutual agreement that we should take steps to protect our interests, individually and collectively. This answers your question as clearly as I can.

Mr. SLEMP. These devices, then, were purchased without being open to competition by the Court of Commerce people?

Mr. ROACH. They were not.

Mr. SLEMP. Your idea in asking for specifications before any formal statement would be issued by the department, over there, was to make suggestions?

Mr. ROACH. My idea in requesting concise specifications was so that I might base my price on what they wanted.

Mr. REDFIELD. So that you might know what they purposed to do?

Mr. ROACH. Exactly.

Mr. TOWNER. Will you just tell the committee, briefly, how this letting of the contract for the Court of Commerce arose?

Mr. ROACH. I do not quite grasp the import of your question—how the letting of the contract arose.

Mr. TOWNER. It became necessary, I presume, to secure furniture for the new Court of Commerce; is that true?

Mr. ROACH. Oh, yes.

Mr. TOWNER. And that embraced, of course, a complete set of furniture for that court, did it not?

Mr. ROACH. According to my understanding, it did; an entire equipment.

Mr. TOWNER. Can you give any estimate to the committee of the total value, perhaps, of that furnishing?

Mr. ROACH. I could not give any estimate which would be of any value to you, because my knowledge of the prices for special counter work, curtains, rugs, cuspidors, etc., is not up-to-date.

Mr. TOWNER. I did not know but that you might possibly have some knowledge of what it actually was.

Mr. ROACH. I fear that I might be unjust in making a statement.

Mr. TOWNER. You would not care to venture upon any statement with regard to the total cost of the furnishings of the Court of Commerce, then?

Mr. ROACH. I would not.

Mr. TOWNER. Was this contract for the total furnishings all let to one company?

Mr. ROACH. I think not. If you will permit me to go back to the Court of Customs Appeals, I would like to add this, that when I spoke to Mr. Stevens regarding the idea of giving out a contract to one concern for practically everything along certain lines, he stated that it was an economical feature, inasmuch as they preferred to have the accounts specialized.

Mr. TOWNER. Do you know about what proportion of it was let to the Globe-Wernicke Co.?

Mr. ROACH. I do not.

Mr. TOWNER. Do you know that you participated, at least to a small extent, in furnishing the department?

Mr. ROACH. I do.

Mr. TOWNER. I presume you have knowledge of other firms furnishing some, have you—that is, I mean other than the Globe-Wernicke Co.?

Mr. ROACH. Furnishing direct to the Court of Customs Appeals?

Mr. TOWNER. Just the same as you did.

Mr. ROACH. Yes.

Mr. TOWNER. Can you give the committee anything like any definite data as to the amount or extent of that which was furnished by others?

Mr. ROACH. I could not.

Mr. TOWNER. It merely came to your knowledge in a cursory way that others had furnished part of the equipment, and it had been in a similar way to your furnishing?

Mr. ROACH. Yes, sir.

The CHAIRMAN. Mr. Roach, you stated that you were requested to send some good to the Court of Commerce and to make the bill——

Mr. ROACH. That was the Court of Customs Appeals.

The CHAIRMAN. The Court of Customs Appeals, and to bill the goods to the Globe-Wernicke Co.?

Mr. ROACH. Your statement is correct.

The CHAIRMAN. Did you ever have a request of that kind before or since?

Mr. ROACH. In the 11 years that I have been doing business with the departments at Washington this is the first instance of such a kind.

The CHAIRMAN. Do you know whether any other concern has had a request of that kind?

Mr. ROACH. Yes.

The CHAIRMAN. What concern?

Mr. ROACH. W. B. Moses & Sons and the Derby Desk Co.

The CHAIRMAN. Is it the general impression among the concerns manufacturing goods similar to those you deal in that any one concern in this city is favored in any way by Mr. Stevens or the Post Office Department?

Mr. ROACH. I prefer not to reflect the impressions of others. If you would ask my own personal opinion——

The CHAIRMAN. As to your own opinions, then. We will be glad to have you state your own opinion. In other words, do you charge favoritism on the part of Mr. Stevens or anyone with any particular firm?

Mr. ROACH. I make no charge, sir.

The CHAIRMAN. You do not care to express an opinion as to that fact?

Mr. ALEXANDER. Is not this the situation as you see it: That, so far as Mr. Stevens can control the contracts and so far as Mr. Weed can control the contracts, by some influence they land with the Globe-Wernicke Co.?

Mr. ROACH. I could not consistently say that I have no such impression.

Mr. ALEXANDER. Is not that not only your impression, but is not that your experience in a business way?

The CHAIRMAN. Your conviction?

Mr. ALEXANDER. No; his experience in dealing with those gentlemen.

Mr. ROACH. I do not wish you to think that I am evasive as a matter of discourtesy, sir, and if I may answer your question in another way, I would prefer to do it.

Mr. ALEXANDER. State it in your own way.

Mr. ROACH. I do not consider that my company has received fair consideration.

The CHAIRMAN. At whose hands?

Mr. ROACH. I am coming to that in just a moment. From either the inspector of furniture, Mr. Stevens, or from such a part of the Post Office Department as is under the control of Mr. Weed.

Mr. McCoy. Would you say you have a tentative opinion about the matter?

Mr. ALEXANDER. Let us not go into the field of the unexplored.

Mr. ROACH. That is not my word, Mr. McCoy.

Mr. ALEXANDER. Unless you agree upon the word before you start.

The CHAIRMAN. If no other inquiries are to be made, we will excuse Mr. Roach and call Mr. Walcott.

H. S. Walcott, called as a witness and being first duly sworn by the chairman, testified as follows:

TESTIMONY OF H. S. WALCOTT.

The CHAIRMAN. Mr. Walcott, with what firm are you connected in this city?

Mr. WALCOTT. The Library Bureau.

The CHAIRMAN. In what capacity?

Mr. WALCOTT. As Washington manager.

The CHAIRMAN. You have some dealings with the Government in the way of furnishing office supplies?

Mr. WALCOTT. Yes, sir.

The CHAIRMAN. Where is your branch in this city located?

Mr. WALCOTT. 1319 New York Avenue.

The CHAIRMAN. Where is the headquarters of the company?

Mr. WALCOTT. Our executive offices are in Boston.

The CHAIRMAN. You say you have had some dealings with the Government in the way of furnishing office supplies?

Mr. WALCOTT. Yes, sir.

The CHAIRMAN. Have you had any dealings with the Post Office Department?

Mr. WALCOTT. Yes, sir.

The CHAIRMAN. Have you any contract at this time with the Post Office Department?

Mr. WALCOTT. I have not, to my knowledge.

The CHAIRMAN. Did you receive an offer to make a bid on some filing devices from the purchasing agent of the Post Office Department some time during the early part of June of this year?

Mr. WALCOTT. I did.

The CHAIRMAN. Did you make a bid?

Mr. WALCOTT. I did not.

The CHAIRMAN. Tell the committee why you did not make a bid?

Mr. WALCOTT. The specifications on the lot of 75 filing cases were such that we could not bid on them with any hope of getting the order, for the simple reason that we did not carry that line of devices in stock, and we understood that they were carried in stock by one of our competitors?

Mr. ALEXANDER. To what competitor do you refer?

Mr. WALCOTT. The Globe-Wernicke Co. Again, owing to the fact that that bid was to be made for the fiscal year, which permitted the department to order these units in any quantity that they saw fit, we could not hope to make a price on furnishing these in lots of one or two, or as they might require them, that would get us the order.

Another phase of the bid was this, that they asked us to state how soon after July 1 we could make delivery. The fact that one of our competitors carried those in stock, and as the bid showed, he could make delivery in five days after the receipt of the order, while our time would be probably 75 days.

The CHAIRMAN (interposing). Let me interrupt you there. How did you know that his bid stated five days?

Mr. WALCOTT. I say after the bids were opened, that the bids showed he could make delivery in five days, and the fact that it was a stock proposition.

Mr. ALEXANDER. That is, for the Globe-Wernicke people to furnish stock articles?

Mr. WALCOTT. Yes, sir; and we naturally assumed they could make a prompt delivery; but we could not.

Mr. ALEXANDER. Where does this Globe-Wernicke Co. have their factory?

Mr. WALCOTT. They have one factory at Cincinnati. I do not know whether they have another one or not.

The CHAIRMAN. Do you know whether or not this firm, to which you refer as the Globe-Wernicke Co., furnishes any supplies to the Post Office Department?

Mr. WALCOTT. Yes; I do.

The CHAIRMAN. It is your understanding that the Globe-Wernicke Co. is in good favor with Mr. Weed of the Post Office Department?

Mr. WALCOTT. That is my understanding; yes, sir.

The CHAIRMAN. Will you tell the committee whether or not you charge that any favoritism has been shown this concern by Mr. Weed.

Mr. WALCOTT. None to my knowledge. I can simply add to that that these specifications were apparently drawn on the Globe-Wernicke stock line.

The CHAIRMAN. As to both the first and second proposals?

Mr. WALCOTT. I mean the first proposal.

Mr. MCCOY. On the 75 units?

Mr. WALCOTT. On the 75 units.

Mr. SLEMP. Only, however, with reference to the interior steel cases?

Mr. WALCOTT. The interior steel construction.

Mr. MCCOY. How about the other specifications?

Mr. WALCOTT. Why, we naturally assumed from what I knew of the Globe-Wernicke steel line that those were also Globe-Wernicke specifications; but of that I am not sure.

Mr. SLEMP. I mean of the 75 units.

Mr. WALCOTT. I would have to look at that proposal again, please. (The proposal requested was handed to the witness.)

Mr. WALCOTT (continuing). Yes; that would be the only specification that I should say would mean the Globe, from the fact that they are the only ones I know of that make the steel interior.

Mr. SLEMP. Do you consider the steel interior an improvement on the previous standard device?

Mr. WALCOTT. Personally I do not, but I am not an expert on furniture. I know what our own experience has been. We make one unit that way in order to get two drawers in the width of our case, but it has not been entirely satisfactory.

Mr. MCCOY. From what point of view?

Mr. WALCOTT. From the fact that steel, wherever it comes in contact with wood, causes the wood to wear very rapidly.

The CHAIRMAN. How long have you been the local representative of the Boston Library Bureau?

Mr. WALCOTT. Something over four years.

The CHAIRMAN. Have you had any business relations or experiences with Mr. Stevens, the furniture expert of the Treasury Department?

Mr. WALCOTT. Yes; slightly.

The CHAIRMAN. Have they been satisfactory?

Mr. WALCOTT. Not exactly; no, sir.

The CHAIRMAN. In what particular have they been unsatisfactory?

Mr. WALCOTT. The contracts of the Treasury Department have been made with a number of concerns each year. It is Mr. Stevens's duty to inspect the furniture. Whenever Mr. Stevens has been at my store to make inspections there has been a tendency for him to hold up the Globe-Wernicke line as the standard, which has led me to believe that he was inclined to favor the Globe-Wernicke line, although Mr. Stevens has told me on a number of occasions that we made a very good line of furniture.

The CHAIRMAN. You regard him as an expert, do you?

Mr. WALCOTT. Well, that is a hard question to answer. I don't know. I don't know what his experience had been before he had that position.

Mr. SLEMP. How do you gentlemen in your business determine the standardization, so to speak, of an article? Have you an association that meets and determines the standard, or how do you do it?

Mr. WALCOTT. Not to my knowledge. There is a standard size of forms, such as letter files, legal-cap files, and different sizes of card and document files; and each manufacturer constructs his devices as he thinks best.

Mr. SLEMP. This standardization depends as much, then, on the point of view of each manufacturer as upon anything else?

Mr. WALCOTT. Yes; I should say it did.

Mr. McCoy. Are they not standardized, so far that anyone could write to any one of the manufacturers and say, "I want a vertical filing case suitable for the vertical filing of ordinary letters"?

Mr. WALCOTT. That is standard.

Mr. McCoy. Each manufacturer would immediately know what was meant by that, and would undoubtedly have it in stock?

Mr. WALCOTT. For instance, a department in Washington recently sent out specifications stating that they had papers of certain sizes which they wished to file, and they had so many papers; and they invited several concerns to submit proposals to take care of those papers, on their stock articles, which opened it to anyone; which is perfectly fair.

Mr. McCoy. And all those concerns could do exactly that thing?

Mr. WALCOTT. Yes; they would bid on their own particular stock article. That opened it to competition.

Mr. SLEMP. Suppose your concern had recently made a little better device; would not that be an advantage to you in your bid to the department?

Mr. WALCOTT. Well, you mean that as a question of picking out the article—that is, the article best suited—

Mr. SLEMP (interposing). No; just a little better device. For example, the department might have thought that this steel interior should go in.

Mr. WALCOTT. If they decided, after all the bids were submitted upon the cases, had considered the prices of the same, and considered the quality of the case with the steel interior was better, they would naturally award it to that manufacturer. But as to drawing specifications as to what the interior construction would be, I hardly think that is fair to everybody. Everyone has his own idea of manufacturing.

Mr. MCCOY. That is, if they had made up their minds in advance they were going to take a steel-lined drawer, naturally they would specify a steel-lined drawer?

Mr. WALCOTT. Yes.

Mr. MCCOY. But if the matter were still open to competition they would not do that, if there was only one concern that made a steel-lined drawer?

Mr. WALCOTT. That is it.

Mr. SLEMP. They would have quite an advantage on new devices if they followed that policy?

Mr. WALCOTT. I should say so; I should think they would.

Mr. ALEXANDER. If they wanted to leave it open to competition, they would simply state their need, and then invite all manufacturers of filing devices to give prices and submit samples, that the department might choose from them?

Mr. WALCOTT. That is it exactly. That is exactly what this department did, to which I referred.

Mr. MCCOY. Does your company, through you, make it a practice to call the attention of the department to anything you consider a new and improved device?

Mr. WALCOTT. I presume that is my duty here to do that.

Mr. MCCOY. You do it, as a matter of fact?

Mr. WALCOTT. Yes, sir; I try to do it.

Mr. MCCOY. So, to answer Mr. Slemp's inquiry, there is no fear that the department will not be posted as to any new device that any manufacturer has gotten out?

Mr. WALCOTT. We all try to do that, I think. It is part of the business, naturally.

Mr. SLEMP. The difference here seems to be that your company does not approve of this inferior steel case?

Mr. WALCOTT. Well, that is not the question that I had in mind. It has a right to approve it or disapprove it. It is a fact that we do not make it. I do not know just how they feel about it, but we do not make that particular case. Personally, I do not approve of it, but that is not technical knowledge. Yet we do not make it, and it was not a fair proposition for us to bid on, in direct competition with a man that carried this device in stock.

Mr. SLEMP. But if your company was a little more enterprising than other companies, and got up a little better device, would not that be to your advantage, even if others did not decide to manufacture it and keep it in stock? Would you not feel that the department ought to consider it?

Mr. WALCOTT. I probably would feel that way; possibly I would.

Mr. MCCOY. But you would not expect them to draw specifications on your device, would you?

Mr. WALCOTT. No, sir; I would not. I would expect them to draw specifications allowing everyone to submit their stock cases, and then make their selections.

Mr. TOWNER. If that would be true, then the department would never have opportunity of securing, if they chose, a new device or an improvement, would they?

Mr. WALCOTT. Why, I do not see why they would not.

Mr. TOWNER. Let us take an instance of this kind, which is almost, if not entirely, analogous to the one we have here: Here are five or six leading firms that are manufacturing approximately the same character of device for holding letter-sized papers and filing them. Now, some one of them, or some other, makes what they call or what they think is an improvement upon that in some particular—it makes no difference what that particular is. They ask the department to give attention to their device—to this improvement. They want an opportunity of knowing what it can be purchased for. Would there be any unfairness to others in specifying or allowing bids to be offered upon that particular device?

Mr. WALCOTT. No, sir; provided they put in there “equal thereto,” and gave us an opportunity to bid with our regular stock devices, in which event I should say not.

Mr. TOWNER. I presume your complaint with regard to this particular competition was that it did not include the words “equivalent thereto” or “equal thereto,” or some phrase of that sort?

Mr. WALCOTT. Yes, sir.

Mr. TOWNER. Just in connection with that, you would have been placed in the same situation, would you not, if that note had been in there, that you were, under the circumstances, shown, namely, that as to this particular competition you would not have had in stock anything that could have met that particular requisition?

Mr. WALCOTT. I don't know why our regular stock line would not have met it.

Mr. TOWNER. But it specified metal interiors?

Mr. WALCOTT. Metal interiors.

Mr. TOWNER. You did not have that?

Mr. WALCOTT. No, sir; we did not have that.

Mr. TOWNER. And you could not have had it without making it with a special order?

Mr. WALCOTT. It seems to me that rather brings up the question of whether there is any advantage in having a metal interior.

Mr. TOWNER. I presume you would agree with me that the department ought to have the privilege of determining that advantage themselves?

Mr. WALCOTT. I grant you that.

Mr. ALEXANDER. At that point, would not they have that privilege if they had invited bids from these different firms upon their different filing devices and requested them to submit samples and prices? Does not that let in any new invention?

Mr. WALCOTT. That is the way I understand it.

Mr. MCCOY. That would let in a drawer that was lined with asbestos, for instance?

Mr. WALCOTT. Certainly. The department reserves the right to reject any and all bids, I believe.

(Thereupon, at 5 o'clock p. m., the committee adjourned until tomorrow, Friday, June 23, 1911, at 10 o'clock a. m.)

JUNE 10, 1911.

The PURCHASING AGENT,

Post Office Department.

SIR: Receipt is acknowledged of your letter of the 9th instant, quoting the contents of a communication dated June 8, 1911, received by you from C. W. Norton, manager of the Shaw-Walker Co., of this city, with reference to the proposals recently invited on filing sections for the department.

With reference to the 75 horizontal units in oak asked for, Mr. Norton states as follows:

"We note that there are certain sections specified to be of metal interiors, slides, and followers on the drawers and call your attention to the fact that we do not manufacture sections constructed in such a manner and know of only one concern which does, and that from reasons of economy rather than adding to the merits of their goods. It would therefore appear that there could be no competitive bidding on this item unless you modify your specifications to allow of lines made in regular manner by other legitimate concerns."

With reference to the 108 metal units of two drawers each the following is quoted:

"As to the alternate item of all-metal units, it appears inconsistent that three-drawer units should be specified in the oak and two-drawer in the metal, and again gives an undue advantage to the concern above mentioned and eliminates concerns who manufacture stock sections of three drawers."

The unwarranted insinuations contained in the language quoted does not justify the courtesy of a reply, but this fact may be overlooked in order that Mr. Norton may receive certain much-needed information along the lines of the business in which he is engaged. Metal interiors were asked for in the three-drawer units because of the fact that it has been the experience in the use of filing devices so constructed in the public buildings throughout the country that they are much superior to others, combining certain advantages of all-metal units with cheapness in cost. The fact that the Shaw-Walker Co. does not construct its filing devices in this manner is of no concern to the department, in view of the fact that at least two concerns are in a position to bid on this grade of construction.

Mr. Norton points out the inconsistency of asking for two-drawer units in metal while the three-drawer units were asked for in oak, and claims that an undue advantage is thus given to one concern which is said to have been "above mentioned," but in reality was not. The seeming inconsistency on the part of the department, which I shall explain away, is incomparable with his own, in view of the fact that the Shaw-Walker Co. makes no metal units of any size or character. His gratuitous solicitude in a matter that apparently would be of concern only to other manufacturers does not justify any consideration of such a complaint when made by him. However, it may be useful on future occasions for him to know that at least four concerns are able to bid on all-metal units with two drawers as a stock line. In this connection it may be added that the experience of manufacturers of metal filing devices has been that in order to build a three-drawer unit sufficiently rigid to prevent sagging when all the drawers are full it is necessary to use such heavy material that the unit is too cumbersome for practical purposes. In consequence of this fact practically all manufacturers have overcome this objection by adopting a two-drawer unit as their stock article.

Respectfully,

Acting Chief Clerk.

TREASURY DEPARTMENT,
OFFICE OF SUPERVISING ARCHITECT,
Washington, July 8, 1910.

The BOARD OF AWARD.

GENTLEMEN: I have to submit for advice and direction the following matters now in the Division of Equipment:

On May 26 bids were received from nine firms for various lines of wood and steel filing devices:

The Globe-Wernicke Co.

The Library Bureau.

The Yawman & Erbe Manufacturing Co.
The Macey Co.
The Shaw-Walker Co.
Messrs. W. B. Moses & Sons.
General Fireproofing Co.
Berger Manufacturing Co.
John Wanamaker.

SEPARATION BY CLASSES.

On account of the great number of devices and the difference in the capacity of corresponding devices in the different lines it is necessary to compare the lines on a capacity-price basis; that is, on the price per lineal inch of card index, document, correspondence, and cap-size files, and on the price per cubic foot of storage and drawer units. Separate consideration is given to the method of construction.

EXTENT OF LINE.

The extent of the line—that is, the number of different kinds of devices in the line—is also considered, for, although it may be true that all of the lines bid contain enough different articles so that a selection can be made to fit in a way any purpose desired, it is frequently possible to fit the purpose more closely and make stacks of better appearance by using a line which affords a greater number of articles from which to order.

The manufacture by one firm of several lines should be considered an advantage, as it tends to uniformity of design and color, reduces correspondence, and, by concentrating the business, increases the importance of the contract, and thereby insures greater care and attention from the contractor.

BASIS OF PRICE COMPARISON.

In order to render a comparison of prices and other features possible it is necessary to consider each class of articles by itself.

In computing the capacity prices, the price for standard grade articles, without extras for added devices, such as locks, etc., in oak for the eastern zone only have been used. Mahogany files are so little used that it is not deemed necessary to consider them as a price factor, particularly as the percentage of variation in price from the price of oak devices is approximately uniform in the several makes.

The prices for the western zone are in all the lines approximately 15 per cent higher than for the east, so that a comparison of eastern prices is sufficient to determine the relative cost of the several lines.

In comparing the lists of capacity prices it is not possible to average the cost of the several units throughout each list, thus obtaining an average cost per unit of capacity, because some of the sections must be figured on a lineal, others on a cubic, capacity basis. Also most of the lists are incomplete as to certain items which are not catalogued, or for other reasons can not be estimated. An average has been made, however, of such items as are common to the various lines, and while it is not a rate it gives an index number indicating approximately the ratio of cost of the several lines.

The so-called commercial grade in the several lines has not been computed, as this grade consists of articles in which construction and finish have been slighted to reduce cost, and the articles do not have the quality and permanence necessary to Government work. Also the comparison of the price capacity of the standard construction gives an index of the relative cost of the commercial grade in the several lines.

No consideration is given to the Moses and Wanamaker bids by themselves, as they are identical in price capacity with the Globe-Wernicke bid, and as they are not from the factory direct. The rates estimated for the Globe-Wernicke bid would apply to the Moses and Wanamaker bids.

No consideration has been given to the solid cabinets in wood or steel, as they are not used on account of not being elastic.

RELATIVE FREQUENCY OF USE.

The wood horizontal lines are of the most importance, as this style is most frequently used, because it allows the stack to be carried to any desired height, allowing old files to be stored accessibly without loss of floor space.

The wood upright style and wood card-index cabinets are next in order of frequency of use.

The wood small sections are very little used, and the wood solid cabinets are not used if avoidable, as they are not elastic.

Steel units of any type are allowed only where wood units would not do; that is, for papers of great importance, such as court records, where the utmost protection from local fires is necessary.

The steel horizontal style is preferred on account of allowing stacks to the ceiling of file rooms, if desired, but where it is not practicable that additional filing space must be added special solid-built steel files are generally used.

Where there is probability of change of assignment of space for files, necessitating removal and rearrangement, or where it is possible to reduce the original order by using sectional articles, the use of sectional steel is advisable.

Steel uprights are very seldom used, and steel small sections, card index, and solid cabinet (except those built to special drawings) are so little used that it is hardly worth while to put them under contract.

Sectional bookcases are important, as the use of the old-style special-built solid bookcases has been discontinued. The standard-style bookcases do not, however, harmonize well in style with the severely plain square effect being used in other articles. The standard style is useful for such library rooms as do not require specially careful treatment, but it is desired to use bookcases of square lines and plain effect for the better class of library rooms, and for isolated stacks in good office rooms generally. See Globe-Mission style, Macey Chippendale, and Library Bureau regular styles.

All of the lines have been examined in detail and full notes made of the constructional and other features. These notes are much too long to include here, and only a summary of the more important points will be attempted.

DELIVERY THROUGH LOCAL DEALERS.

The specifications under which the proposals were obtained contain the following clause:

"* * * The department also desires * * * to do business with manufacturers who will agree to deliver articles through their local agents, and preference will be given to bids embodying this privilege."

The bids for filing devices do not, however, with the exception of the Shaw-Walker bid, contain any express statement as to whether the bidder would make delivery through local dealers. Inquiry has been made on this point, with the following results: The Globe-Wernicke Co. will, if required, make delivery through about 1,800 local agents, the Library Bureau through about 30, Yawman & Erbe about 250, and Shaw-Walker about 600.

Local delivery can not be secured of the Macey goods, because the bidder is not the factory but a Washington retail store, and it is understood that the factory will not do business direct with the Government, so that if local dealers are insisted upon for Macey goods they must be obtained by local proposals in each instance. The General Fireproofing Co. can not make deliveries through local dealers at the prices bid.

The Berger Manufacturing Co. has been requested to state whether they can make delivery through local dealers, and if so, how many agents they have, but as yet no reply has been received from them.

The following table shows the names of bidders in the order in which the goods are considered to stand in quality.

The vertical list shows the several classes of articles. The figures opposite each class indicate the extent in that class of the make indicated by the column in which the figures occur.

The index figure under each class figure gives the relative cost of the line.

WOOD FILING DEVICES.

	Library Bureau.			Yawman & Erbe.	Macey, Gold Medal.	Shaw-Walker.	Macey.		
	Globe-Wernicke.	Cambridge.	Ilton.				Inter-Inter-Gold Medal.	Inter-Inter-Horizontal.	Rapid.
Horizontal.....	454	32	30	77	26	47	64	64	16
Index.....	105	117	114	121	95	77	94	87	77
Upright.....	26	13		30		7	11		2
Index.....	340	368		380		266	326		228
Small sections.....	25			19		21	32		
Index.....	286			210		159	142		
Card Index.....	28	62		19	32	21			
Index.....	185	303		236	176	136			

STEEL FILING DEVICES.

	Globe.	Library Bureau.	General Fire-proofing.	Berger Manufacturing Co.
Horizontal.....	46	26	26	31
Index.....	157	113	113	102
Upright.....	4	2	4	18
Index.....	406	420	389	384

Financial standing of firms.

Globe-Wernicke Co., estimated wealth (G), \$1,000,000 or over.
Yawman & Erbe Manufacturing Co., estimated wealth (H), \$500,000 to \$1,000,000.
Library Bureau, estimated wealth (H), \$500,000 to \$1,000,000.
General Fireproofing Co., estimated wealth (G), \$1,000,000 or over.
Berger Manufacturing Co., estimated wealth (G), \$1,000,000 or over.
Shaw-Walker Co., estimated wealth (N), \$150,000 to \$200,000.
Macey Co., estimated wealth (J), \$400,000 to \$500,000.

These figures are given because it is necessary to buy filing devices from firms which are sure to continue in business, in order that additional articles of the same make may be obtained when required. The figures shown give the estimated capital and credit of the above-named firms, taken from Bradstreet's, published in March, 1910. All figures in the credit grade come under first-grade credit for the capital quoted.

The defects and general points of construction which caused the quality rating are as follows:

Globe-Wernicke.—End irons not carried around the back sometimes loosen in handling, but are readily driven on again.

In general, this line is constructed in the best possible and most substantial manner. The interior construction is of the full-framed and flush-panel type, extends to the back; the back is of three equal plys of gum, and is nailed to each vertical partition five times with cemented nails. This construction forms a completely inclosed smooth compartment to receive each insert, and is sometimes called "dust-proof" construction. All drawer and insert bodies are of steel, generally in one piece, and provided with bale suspension or other automatic stop to prevent accidents. Vertical letter and cap drawers are carried on a rigid and unbreakable steel pin running on steel rollers and steel tracks with deafened bumpers. The drawer fronts are of the fitted type, and the large sizes are of three equal plys of oak. The bases are full-framed, all sections have top reducing rail, and all heavy drawers stop from the bottom.

Library Bureau, "Cambridge" line.—Intermediate, vertical, and horizontal partitions are of skeleton construction and reach to back, but back is nailed only to ends, not to intermediates.

Letter drawer sides driven dovetailed to front. No top frame on leg bases. *Globe-Wernicke* is, in general, a very high grade of filing-device construction, built rather than to a price. The cabinet work is well done, interiors are

well fitted and finished. The vertical cap and letter drawers are carried on side suspension device with steel roller running on steel track. End panels are of ply construction, but not flush inside. Leg bases have legs framed in. This line has been in use for a long time and is reliable.

Library Bureau, "Ilion" line.—Document file has very thing vertical intermediates. Vertical and horizontal intermediates do not extend to back, and the backs are not generally nailed to intermediates. Leg base has legs screwed into end wood.

The double-sliding glass door unit has a $\frac{1}{4}$ -inch poplar bottom, not of ply construction.

Drawers generally are stopped by the fronts. Interior work generally is of skeleton construction. Backs are only $\frac{1}{4}$ inch thick through three-ply birch and secured at all edges to frame.

In general, this line has five-ply ends with a full frame around the bottom and top of unit. The construction is fair and well braced, and while the line is comparatively a new one, it is considered dependable. Vertical file drawers have suspension device similar to the "Cambridge" style. The leg bases have legs framed in. Drawer units are of "close construction," but drawers, except those with special plan device, stop by the front.

Yauman & Erbe defects.—The horizontal and vertical intermediates are of skeleton construction, do not extend to the back. The back is secured only to ends and is so thin that it frequently warps and slivers at edges. The ends are not flush paneled inside. Vertical intermediates generally are not framed, but built up parts fastened with corrugated metal fasteners. Bases are of knock-down construction and frame is insufficiently glue blocked. Top frame of leg base is mitered, not framed, at angles, and is nailed to rails. Reducing rails when supplied are at an extra cost. Inter-locking device defaces appearance of interior. Storage section has black iron elbow catch and plain iron shelf pins. Plain oak veneer in interior and plain oak shelf. The follower track in card index cuts through the top ply of the bottom.

In general, this line is very well built according to the standards of construction of filing-device manufacturers. It has been in use for a long time and has given excellent service and satisfaction, and the method of supporting the vertical cap and letter drawers on steel roller side supports is particularly good.

Shaw-Walker defects.—End panels are not flush inside. Intermediate verticals and horizontals are of skeleton construction, do not extend to the back. The back is not heavy but has a soft wood core with two thin hard wood veneers, and is secured generally only at ends. The drawers have flanged fronts and the flange forms the drawer stop. Drawers generally are very loosely fitted. Vertical cap drawers have wood extension side supports with fiber rollers running upon wood. Drawer sides in letter drawers are driven dovetailed to front. Vertical letter drawer has wood under slide support with fiber rollers running on wood. Storage section has soft wood shelves poorly finished and small bright iron shelf pins. Leg base has nontapering legs, knock-down construction. Small drawers have bottom nailed to back. Large drawers have bottom nailed all around. In general, this line is of fairly good filing device construction. It was formerly of poor construction, but has been constantly improved during the last three years, and a number of defects have been corrected since last year. While it has not been long in use in its present form, and while the construction used last year sometimes proved defective, it is believed that it would give satisfaction where service is not severe.

Macey "Gold Medal" line.—While this style has been bid to the department, it is understood that the Macey Co. is not marketing it generally, except to carry out systems already installed. It has particularly well-made exterior casing or shell, but the interior work is not so good. The line of samples inspected was so small that only a general criticism can be made. In general, the line has been in use for a long time, and has given no more trouble than was usual in filing devices of the old construction. Macey "Inter-Inter-Gold Medal" and "Inter-Inter Horizontal."—Both of these lines are based upon the use of an exterior casing or shell, which is of very good construction, but the inserts are encased in a very light framework and the drawer construction generally is not considered to be substantial or reliable, and these lines in general contain so many weak points of construction that their use can not be recommended.

Macey "Art Craft."—No price capacity has been computed for this style, because it has the defects of the Inter-Inter styles, is made in mahogany only, and the price is so high as to preclude any chance of its being used.

Macey "Rapid."—This line corresponds generally in construction with the lower grades of "commercial" construction in other lines, and its use can not be recommended.

STEEL FILING DEVICES.

Globe-Wernicke.—These devices are built of die-cut forms joined by interlocking roll joints, the roll being wired wherever greater strength is required. The gauge of the metal is fully as heavy as is necessary at all places, and all exterior casings and insert fronts have double walls throughout, except on the back. Small drawers have bale suspension, large card drawers, and vertical letter and cap files have rigid unbreakable pan under supports with steel rollers and deafened stops and bumpers bolted on. In general, this line is considered the best and heaviest construction, and has no defect except the use of a single thickness of metal on the back. Its reliability has been thoroughly demonstrated. The grained finish for oak and mahogany is obtained by transfer from actual pieces of the respective wood, and is free from the defects usual in hand-grained work. The enamel is of the highest grade.

General Fireproofing Co.—This line has double exterior case and double fronts in inserts, except document file, which to the department is one of the most important sections. The backs are single thickness. The construction generally folded and riveted. The bases by themselves are not rigid, but are of very light construction. Vertical letter and cap files have steel-roller separates at bottom of sides. Storage cases have doors of single thickness. Reducing strips are a separate unit. It is understood that the horizontal line is to be discontinued, and that an improved line is to be brought out. The plain-color finish of the samples shown is of good grade. This office has had no experience with this line, but it is considered good.

Berger Co.—No samples were submitted with bid, and the samples examined with those on file in a local store may not be of the latest construction. The samples seen were of distinctly low-grade construction for steel filing devices. The horizontal style is too wide for the weight, and sags accordingly. The construction is generally of the bolted and riveted type, and cast-iron stops without deafening are used. This line can not be recommended for departmental use.

Under the specifications for this year, no bidder is entitled to an exclusive contract for any class of goods.

All of the lines bid are useful in appropriate places, and all of them must be used at times to match or stack with articles of the same make in use.

To facilitate ordering, to save the time and labor necessary to obtain local bids, and to insure the delivery of fresh goods of latest model from the factories (some of the lines were of inferior construction until within a few years, and dealers frequently have the old models in stock), it is recommended that a contract be made with each bidder for all of the articles included in their respective catalogues, except for the Macey "Inter-Inter" and "Rapid" lines and the Berger "Steel," which are not considered good enough for Government use, and that the office reserve the right to order at its option from the bidder whose goods best suit the purpose in each instance.

If it is considered inadvisable to make the acceptance in the manner above recommended, then it is recommended that the proposal of the Globe-Wernicke Co. be accepted for wood and steel files, as the lowest best bid, quality, capacity, price, extent of line, number of classes, local delivery, and reliability of firm being considered.

BOOKCASES.

Globe-Wernicke.—Advantages: Heavy back; more material in door frame; straight legs framed into base; less noise in equalizer on door. Defects: End of iron sometimes loosens on back end; equalizer does not always prevent door jamming.

Macey.—Advantages: End iron can not loosen, being carried around on back; equalizer prevents door jamming. Defects: Thinner back; door frame

loses material in rabbeting; loose legs of bent design; equalizer is not silent.

The Globe and Macey standard bookcases are identical except in a few details.

The Globe bookcase is considered slightly better in general.

Taking an average of prices for the entire standard line, the index figures are, Globe, 97; Macey, 93. but taking a comparison of prices for the stack combination, which is almost always used, the prices are, for the stack, Globe, \$21.25; Macey, \$19.48. The Globe is 9.1 per cent higher. This difference in price is considered more than sufficient to outweigh the slight advantage in construction, and acceptance of the Macey bid for bookcases of standard type is recommended.

The Globe so-called Mission type of bookcase, with golden oak finish, is best designed to harmonize with the straight square effect being used in other articles.

The index figure is 116 as against 97 for the Globe standard and 93 for Macey standard cases.

In order to render it possible to use this style in the more important places, it is recommended that the Globe bid be accepted for this style only, to be used at the discretion of the office.

Library Bureau.—The bookcases of this bidder are not unit bookcases, but built sections, each about 5 feet high, with separate ends to make a finished case.

The cost index figure is 266 as against 97 for Globe standard and 93 for Macey standard.

The appearance is exceptionally fine, but all the purposes of this case can be filled by the Globe mission style, index price 116, and the price is so high that its use it not recommended.

	Globe-Wernicke bookcases.			Library Bureau.	Macey.				
	Standard.	Mission.	Ideal.		Base.	Stand-ard.	All oak.	Chp.	Colo-nial.
D-10 L base.....	5.9	8.1	22.0	126.6	95	9.8	16.3	13.3	17.4
D-12½.....	10.9	15.6	31.2	.....	912	8.9	12.6	13.3	18.4
D-10½.....	10.1	14.0	29.7	.....	910	8.9	12.6	13.3	18.4
D-8½.....	9.4	12.5	28.1	.....	908	8.9	12.6	13.3	18.4
D-X top.....	5.9	7-8	15.6	.....	903	5.6	6.7	13.3	17.4
E-X base.....	6.6	.....	.....	.....	127	6.3	7.4	.....	.....
E-13½.....	14.8	.....	.....	.....	1213	13.36	17.0	.....	.....
E-X top.....	7.3	.....	.....	.....	123	6.3	7.4	.....	.....
E-13½ comb.....	16.4	.....	.....	.....	12130	16.3	19.3	.....	.....
C-11.....	10.1	.....	.....	.....	911	8.9	.....	.....	.....
C-X top.....	5.9	.....	.....	.....	.....	.....	.....	.....	.....
D-12½.....	13.3	.....	.....	.....	.....	.....	.....	.....	.....
Index number.....	9.7	11.6	25.3	.....	.....	9.3	19.8	13.3	18.0

	Macey.	Globe-Wernicke.
1 legal stack.....	.....	.....
1 D-X top.....	\$2.00	\$2.00
4-C 11.....	12.00	13.00
1-D 12½ comb.....	3.00	4.25
1-D L base.....	3.50	2.00
	20.50	21.25
	1.02	19.48
	19.48	1.77

1 Complete.

Globe is 9.1 per cent higher than Macey for standard bookcase.

The following is a statement relative to the quality of construction of the several lines, and the tabulation of capacity prices from which the index figures were obtained :

	Globe, regu- lar.	Library Bureau.		Yaw- man & Erbe, regu- lar.	Shaw- Walker, regu- lar.	Macey.			
		Cam- bridge.	Ilion.			Inter. Gold Medal.	Gold Medal.	Rapid.	Inter- Hori- zontal.
17-inch depths.									
Cd. index, 3 x 5.....	8.1	14.2	11.3	10.1	6.6	10.1	11.0	10.0	11.5
Cd. index, 4 x 6.....	12.4	19.15	17.3	18.25	10.4	12.3	15.8	15.0	13.2
Vertical letter.....	35.0	.....	.....	50.0	33.2	29.7	(1)	35.8	34.0
Vertical cap.....	52.8	.....	.....	68.0	(1)	47.5	(1)	(1)	(2)
Document file.....	14.1	15.4	16.5	16.35	11.8	13.7	11.9	12.9	15.3
Legal blank.....	8.10	9.76	8.50	8.60	6.38	10.37	6.88	4.83	11.70
Storage.....	2.63	3.89	2.43	2.37	1.43	(2)	2.80	2.16	2.33
Top.....	10.8	8.5	9.85	9.85	7.62	10.8	11.4	7.5	(3)
Sliding shelf.....	15.7	13.1	15.2	15.9	10.0	8.6	9.1	8.9	(1)
Roller shelf.....	3.54	4.63	.....	3.82	2.34	(1)	(1)	(1)	5.94
Base.....	8.4	.....	9.1	8.3	7.15	5.94	7.9	7.1	(2)
Low leg base.....	12.1	9.16	10.6	15.2	7.15	(2)	(2)	(2)	7.1
Index number.....	10.5	11.7	11.4	12.1	7.7	9.4	9.5	7.7	8.7
25-inch depths.									
Vertical letter.....	29.7	40.0	39.5	38.4	22.9	(1)	29.2	(1)	(1)
Vertical cap.....	40.9	45.0	49.4	56.1	34.0	(1)	(1)	(1)	(1)
Top.....	15.7	11.1	12.9	13.6	10.5	(1)	(1)	(1)	(1)
Low leg base.....	14.5	10.4	12.1	17.4	9.1	(1)	22.7	(1)	(1)
Storage.....	1.67	2.40	1.55	(2)	1.17	(1)	13.4	(1)	(1)
Index number.....	25.2	26.6	28.5	31.4	19.1	.....	.....	.....	.....

¹ Not made.

² Can not estimate.

³ No cost.

WOOD UPRIGHTS.

	Globe- Wernicke, regular.	Library Bureau, regular.	Yawman & Erbe, regular.	Shaw-Walker.		Macey.	
				Regular.	Cut A.	Inter.	Solid.
Vertical letter.....	33.7	39.8	42.15	29.7	79.2	29.9	19.8
Vertical cap.....	39.8	44.3	45.5	30.4	91.4	35.3	25.7
3-units letter.....	31.4	33.0	35.0	25.2	79.2	29.9	19.8
3-units cap.....	37.3	37.5	37.3	26.1	91.4	35.3	25.7
10-units letter.....	28.0	30.6	32.4	23.7	79.2	29.9	19.8
10-units cap.....	34.0	35.1	35.2	24.6	91.4	35.3	25.7
Index number.....	34.0	36.8	38.0	26.6	.....	32.6	22.8

SMALL SECTION, WOOD.

	Globe.	Yawman & Erbe.	Shaw- Walker.	Macey.
Top.....	19.7	12.1	9.3	No cost.
Vertical letter.....	58.2	57.4	38.5	31.4
25 vertical letter.....	46.0	.....	34.3	.....
Vertical cap.....	58.2	51.4	35.2	37.1
25 vertical cap.....	46.0	.....	34.3	.....
Document file.....	18.1	19.5	13.0	10.2
Legal blank.....	8.26	8.50	9.44	10.33
3 x 5 C. I.....	11.9	13.8	7.8	10.9
Storage.....	3.30	3.37	2.45	2.51
Low big base.....	16.9	21.2	11.3	11.1
Index number.....	28.6	21.0	15.9	14.2

CARD INDEX.

	Globe-Wernicke.	Library Bureau.	Yawman & Erbe.	Shaw-Walker.	Macey.
1 drawer, 3 x 5.....	25.0	40.0	25.7	14.7	19.2
2 drawer, 3 x 5.....	17.4	25.0	21.8	13.9	17.1
4 drawer, 3 x 5.....	13.0	22.15	19.1	10.1	14.1
6 drawer, 3 x 5.....	12.1	20.0	16.1	9.5	12.8
1 drawer, 4 x 6.....	30.0	40.8	39.7	17.9	24.4
2 drawer, 4 x 6.....	20.8	29.12	25.7	17.1	22.2
4 drawer, 4 x 6.....	15.6	43.6	21.3	13.5	17.1
6 drawer, 4 x 6.....	13.9	22.2	10.1	12.0	14.2
Index number.....	18.5	30.3	23.6	13.6	17.6

STEEL HORIZONTAL TYPE.

	Globe-Wernicke.	General Fire-proofing.	Berger.
<i>17-inch depths.</i>			
Top.....	14.1	10.0	8.6
Document files.....	17.2	13.1	14.1
Vertical letter.....	60.0	(1)	54.7
Vertical cap.....	60.0	(1)	(1)
Legal blank.....	11.3	7.18	6.1
Roller shelf.....	4.2	(1)	(2)
3 x 5 card.....	12.9	11.6	19.2
Sliding shelf.....	31.2	(1)	21.2
Low-leg base.....	23.4	14.9	13.2
Index number.....	15.7	11.3	10.2
<i>25-inch depths.</i>			
Vertical letter.....	52.2	39.3	(1)
Vertical cap.....	52.2	39.3	(1)
Top.....	21.9	10.9	(1)
Leg base.....	25.0	15.0	(1)
Index number.....	379.0	211.0	.....

¹ Not made.

² Not priced.

STEEL UPRIGHTS.

	Globe.	Library bureau.	Berger.	General Fireproofing.
4 drawer, vertical letter.....	42.5	39.3	33.3	35.9
4 drawer, vertical cap.....	48.8	44.7	36.6	41.0
Index number.....	40.0	42.0	38.9	38.4

Respectfully submitted.

Chief Division of Equipment.

COMMITTEE ON EXPENDITURES
IN THE POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Friday, June 23, 1911.

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.
Present: Messrs. Ashbrook (chairman), Alexander, Redfield, McCoy, Slemph, and Towner.

The witness, Thomas Duncan Crowe, was duly sworn by the chairman.

TESTIMONY OF THOMAS DUNCAN CROWE, 721 ELEVENTH STREET NW., WASHINGTON, D. C.

The CHAIRMAN. Mr. Crowe, are you employed in the Post Office Department?

Mr. CROWE. Yes, sir.

The CHAIRMAN. In what division are you employed?

Mr. CROWE. I am a clerk in the Division of Supplies.

The CHAIRMAN. How long have you been employed in that division?

Mr. CROWE. I have been in the Division of Supplies since November or December, 1907.

The CHAIRMAN. Were you employed in the Division of Supplies while Mr. G. G. Thomson was the superintendent of that division?

Mr. CROWE. Yes, sir.

The CHAIRMAN. I wish, Mr. Crowe, you would tell this committee in your own way what you know about the crating, packing, storing, and shipping of the household goods of Mr. Thomson to Austin, Tex.

Mr. CROWE. Well, as to the packing and the shipping and as to whom they were shipped, I do not know anything about that except from hearsay; but as to the storing of it there on the second floor, I saw the furniture there myself on the second floor.

The CHAIRMAN. How long was the furniture stored there on the second floor? I understand that this is in the Post Office Annex.

Mr. CROWE. Yes, sir.

The CHAIRMAN. How long was it stored there?

Mr. CROWE. I can not say exactly how long; I suppose a month or two, probably; not over that.

The CHAIRMAN. Do you know whether or not any material was sent from the Post Office Annex to Mr. Thomson's house for the purpose of crating his household goods?

Mr. CROWE. No, sir; I do not know of my own personal knowledge, except just from talk over there in the division.

The CHAIRMAN. What talk did you hear in the division about this matter?

Mr. CROWE. I think I heard that some old boxes or one thing or another had been sent over there.

The CHAIRMAN. Old boxes?

Mr. CROWE. Yes, sir.

The CHAIRMAN. You did not understand that any new crates or boxes were used?

Mr. CROWE. No, sir; I did not hear of any new boxes being sent there at all.

The CHAIRMAN. What do you know about any new material being used in the Post Office Annex by Mr. Byrne, the carpenter, to crate these household goods?

Mr. CROWE. The only thing I know about any new material being used there was what I saw in this little pamphlet yesterday afternoon. I was reading it. I read where they used 8 or 12 new boards.

Mr. REDFIELD. You have no knowledge of it at all?

Mr. CROWE. No knowledge at all of any new material being used.

The CHAIRMAN. Did you act as freight clerk while Mr. G. W. Smith was away on vacation?

Mr. CROWE. Yes, sir; I was shipping clerk while he was away, and had been for some time before he went away.

The CHAIRMAN. Do you know anything about the shipping of Mr. Thomson's goods?

Mr. CROWE. Nothing whatever. I had nothing whatever to do with it at all.

The CHAIRMAN. Do you know anything about any post office employees being used at Mr. Thomson's house or elsewhere?

Mr. CROWE. Nothing, except what I have heard.

The CHAIRMAN. What hearsay do you refer to? Did you hear any talk of that kind among the post office employees?

Mr. CROWE. I heard it talked that somebody went to his house and did work for him, but I paid no attention to whether it was during working hours or after working hours.

The CHAIRMAN. Do you know anything about who hauled the household goods from Mr. Thomson's residence to the Post Office Annex?

Mr. CROWE. No, sir.

The CHAIRMAN. Did you have anything to do with having the goods hauled down to the annex?

Mr. CROWE. No, sir; nothing whatever. The only thing I know about even the goods coming there was what I heard over the telephone when Mr. Smith was talking to the Knox Express Co. one afternoon as to what they would charge for hauling a load of furniture. At the time I did not know as to where the furniture was coming from, whether from Mr. Thomson's residence or somewhere else, or even whose furniture it was.

Mr. SLEMP. You simply happened to be in the office and overheard one end of the conversation?

Mr. CROWE. Yes, sir; I overheard one end of the conversation over the telephone.

Mr. REDFIELD. What are your duties?

Mr. CROWE. My duties are clerical, and I am at present in charge of the business of looking over and seeing that all rubber stamps and steel stamps are correct when they come in from the contractors, and I then have charge of sending them to the post offices throughout the country.

Mr. REDFIELD. You spoke of old boxes. How many were used, do you know?

Mr. CROWE. No, sir.

Mr. REDFIELD. When you say "old boxes" you do not wish the committee to understand that they were bad boxes, but simply that they were boxes that had once been used?

Mr. CROWE. When speaking of old boxes, I meant boxes of this sort: We have coming there from the different contractors throughout the country supplies that are boxed up. For instance, the rubber stamps that I receive there every few days come in boxes, and sometimes they have the tops nailed on them, and I have that top taken off promiscuously without any care to preserve the boxes at all, and then the boxes, after the things are taken out of them, are thrown aside and go to the rubbish, unless it is a good enough box to use for

something else. Sometimes they are good enough to be used again for putting supplies in.

Mr. REDFIELD. You have opened up a very interesting subject. Is it not the custom of the department to open these cases with nail pullers?

Mr. CROWE. Not always, not down there.

Mr. REDFIELD. Do you wish the committee to understand that they strip these covers off, splitting them?

Mr. CROWE. No, sir; I do not wish you to understand that in all cases. This stuff is received on the second floor, and I have nothing to do with it; I have nothing to do with that part of it.

Mr. REDFIELD. I want to get at the custom of the department; that is, how these boxes are treated. I understand that they come in, and I think you stated that the covers are stripped off and the boxes thrown aside?

Mr. CROWE. Yes, sir.

Mr. REDFIELD. Is no effort made to remove these covers in such a way that as a matter of regular practice the boxes can be used over again?

Mr. CROWE. Sometimes they do take the nail puller and open them when they are driven in hard and they can not get the nail out by knocking on the end of the box.

Mr. REDFIELD. The department receives a good many of them every day?

Mr. CROWE. I do not know how many a day.

Mr. REDFIELD. But they receive daily shipments?

Mr. CROWE. Almost every day.

Mr. REDFIELD. Who is in charge of receiving and unpacking these cases?

Mr. CROWE. Mr. Landick and Mr. Temperton. They are the receiving clerks. They would know who unpacks each case.

Mr. REDFIELD. That is all.

(The witness, Henry F. Dolan, was duly sworn by the chairman.)

TESTIMONY OF HENRY F. DOLAN, 1434 NEWTON STREET NW., WASHINGTON, D. C.

The CHAIRMAN. Mr. Dolan, are you at this time employed in the Post Office Department?

Mr. DOLAN. Yes, sir.

The CHAIRMAN. In what division?

Mr. DOLAN. In the Division of Supplies.

The CHAIRMAN. How long have you been in that division?

Mr. DOLAN. With the exception of about two weeks, I have been there since I was appointed, December 26, 1905, nearly six years.

The CHAIRMAN. What position do you hold?

Mr. DOLAN. I am now the Acting Assistant Superintendent.

The CHAIRMAN. How long have you held that position?

Mr. DOLAN. Since July 16, last.

The CHAIRMAN. Do you know anything about any boxes or lumber having been sent out from the Post Office Annex to the residence of Mr. G. G. Thomson?

Mr. DOLAN. No, sir; I do not.

The CHAIRMAN. You did not order any boxes sent up to his house?

Mr. DOLAN. No, sir.

The CHAIRMAN. Do you know of any having been sent up there?

Mr. DOLAN. No, sir.

The CHAIRMAN. And you do not know of any lumber having been used in the crating of his household goods?

Mr. DOLAN. From the annex?

The CHAIRMAN. Yes, sir.

Mr. DOLAN. I understand that some lumber was used there.

The CHAIRMAN. As a matter of fact, don't you know that some lumber was used there for that purpose?

Mr. DOLAN. I can not make any direct statement in reference to that. I understand that there has been some lumber used there.

The CHAIRMAN. Do you understand that the lumber was used from talk among the employees?

Mr. DOLAN. No, sir; I read the hearing before this committee.

The CHAIRMAN. Was that your first knowledge of it?

Mr. DOLAN. Then I have heard it said that some lumber was used.

The CHAIRMAN. When did you hear this talk about lumber having been used? About the time that it was used?

Mr. DOLAN. No, sir.

The CHAIRMAN. About when did you hear it?

Mr. DOLAN. Right shortly after Mr. Bryne testified here, that is about three or four days ago.

The CHAIRMAN. Is that the first you heard of it?

Mr. DOLAN. Yes, sir; that is the first I heard of it.

The CHAIRMAN. You did not hear of it last summer or fall?

Mr. DOLAN. No, sir.

The CHAIRMAN. Are you on the same floor that Mr. Bryne is on?

Mr. DOLAN. No, sir. My business, however, takes me on every floor.

Mr. SLEMP. Do you have anything to do with the lumber down there or the boxes or the disposal of them?

Mr. DOLAN. Yes, sir.

Mr. SLEMP. If the lumber was taken out or the boxes taken out, how did it happen that you did not discover it?

Mr. DOLAN. I might clear this up. I understand that it has been testified that lumber has been used there in connection with the crating of the furniture, and during the time that the furniture was being crated at the Division of Supplies I was in charge of the division. I do not remember of ever having given specific instructions to use any lumber there at all, although it may have been used.

Mr. SLEMP. Did you tell some of the other employees to crate the goods?

Mr. DOLAN. Yes, sir.

Mr. SLEMP. You expected them to get the lumber from some other place?

Mr. DOLAN. No, sir. You know we receive a great number of cases and boxes from contractors and firms supplying us with different articles of supplies, which boxes at that time were waste boxes and after they were used they were thrown out. Mr. Bryne, who crated this furniture, was supposed to use these boxes, and he could knock them down and use any lumber that he might be able to obtain from knocking down the boxes.

The CHAIRMAN. Who did you tell to crate these goods?

Mr. DOLAN. Mr. Bryne.

The CHAIRMAN. Why did you tell him to crate them?

Mr. DOLAN. I was requested to do so.

The CHAIRMAN. By whom?

Mr. DOLAN. Mr. Thomson.

The CHAIRMAN. He asked you have his household goods crated?

Mr. DOLAN. Well, there is another point there——

The CHAIRMAN (interposing). I would like you to answer whether he did or not.

Mr. DOLAN. Making a reply to that really would not quite cover the case.

Mr. ALEXANDER. Why not answer the question and make such explanation afterwards as you wish?

Mr. DOLAN. When you say "household furniture" you include the entire furniture that he had in the line of household furniture.

The CHAIRMAN. Did he ask you to have any part of his furniture crated?

Mr. DOLAN. Yes, sir.

The CHAIRMAN. What part of it?

Mr. DOLAN. The part he had had in his summer home at Terra Alta, W. Va.

The CHAIRMAN. Do you know anything about the household goods he sent to Texas?

Mr. DOLAN. I do not.

Mr. MCCOY. Did you say, Mr. Dolan, that Mr. Bryne was expected to use these boxes that had come into the division with goods in them?

Mr. DOLAN. Well, Mr. Bryne was an intelligent man——

Mr. MCCOY (interposing). I want to have an answer to my question. Did you say that Mr. Bryne was expected to use these boxes?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. Do you mean by that that you expected him to use them?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. Why did you expect him to use them?

Mr. DOLAN. I am speaking now of the boxes received in the Division of Supplies containing shipments of supplies sent here by the several contractors.

Mr. SLEMP. Were they boxes that you did not consider of any value otherwise?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. Why did you expect him to use these boxes?

Mr. DOLAN. Because they were of no use to the Government, and in fact, it was our custom to throw them out. I did not see any objection to using them.

Mr. MCCOY. That is not an answer to my question. My question was "Why did you expect him to use them?"

Mr. DOLAN. I really just can not see the point there.

Mr. MCCOY. I did not ask you to see the point. I asked you to answer my question.

Mr. DOLAN. I expected him to use them because he was told to crate the furniture.

Mr. MCCOY. He might have used new lumber for that purpose, might he not?

Mr. DOLAN. He may have.

Mr. MCCOY. He might have?

Mr. DOLAN. Well, he did not get specific instructions to do so; that is, not to my knowledge.

Mr. MCCOY. But he might have used lumber in complying with the instructions to pack the furniture. He might have used new lumber?

Mr. DOLAN. He might.

Mr. MCCOY. And he might have used old boxes?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. Why did you expect that he would use old boxes?

Mr. DOLAN. Because he would know that it would be expected of him to use these old boxes.

Mr. MCCOY. Why would he have known that?

Mr. DOLAN. He is a man of ordinary intelligence, and would know that if he could make use of these old boxes, he should do so.

Mr. MCCOY. That is, if he could make use of them?

Mr. DOLAN. He did make use of them.

Mr. SLEMP. If these boxes could have been used for the crating of the goods and furniture of Mr. Thomson, they could have been used for the purpose of crating somebody else's goods, and then they would have a value; that is, if there was a specific use to which these boxes were devoted, it is probable that they would have had a value.

Mr. DOLAN. Well, I will say to that that at that time they were not considered as having a value when they could not be used by the Division of Supplies for casing supplies for shipment.

Mr. SLEMP. Did you dispose of the boxes ordinarily, in order to save the space taken up by them?

Mr. DOLAN. No, sir; the boxes were used wholly within the division, and sent downstairs and given away as kindling wood.

Mr. MCCOY. Did you see Mr. Byrne packing this furniture?

Mr. DOLAN. Yes, sir; but I never paid much attention to it.

Mr. MCCOY. But you saw him packing the furniture, did you not?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. Did you have control of his time?

Mr. DOLAN. Yes, sir; after the superintendent.

Mr. MCCOY. After the superintendent?

Mr. DOLAN. I mean that the superintendent is the superior officer, and in his absence I have control of Mr. Byrne's time.

Mr. MCCOY. By the superintendent do you mean, in this instance, Mr. Thomson?

Mr. DOLAN. Yes, sir.

Mr. MCCOY. And Mr. Thomson told you to have Mr. Byrne pack his furniture?

Mr. DOLAN. He did not say to have Mr. Byrne do it, but he told me to have the furniture crated, and Mr. Byrne being the best man for the purpose, I assigned him to the work.

Mr. MCCOY. And you considered him the best man in the division for that work?

Mr. DOLAN. I considered that he would use better discretion than anybody else down there.

Mr. MCCOY. Of what nature?

Mr. DOLAN. In using old boxes.

Mr. McCoy. You thought he would use his discretion in using old boxes instead of new lumber?

Mr. DOLAN. I did not say for him to use old boxes.

Mr. McCoy. But if he had discretion in the matter, it would be in the use of material, would it not?

Mr. DOLAN. When I put Mr. Byrne down there, I figured that he would use these boxes.

Mr. McCoy. And you figured that he would use his discretion, did you not?

Mr. DOLAN. Yes, sir.

Mr. McCoy. That is, the discretion you expected him to exercise was in the selection of boxes?

Mr. DOLAN. In selecting the boxes and knocking down the boxes to obtain sufficient lumber to do the crating.

Mr. McCoy. Were there sufficient boxes for that purpose?

Mr. DOLAN. I do not know that there were.

Mr. McCoy. Then you expected him to use discretion so far as the boxes were there, but when he got out of boxes, what did you expect him to do?

Mr. DOLAN. He would hardly get out of boxes, when they were coming in by the carload.

Mr. McCoy. Then, at the time you gave the order, there were not sufficient boxes there, but you expected there would be?

Mr. DOLAN. There are boxes there all the time.

Mr. McCoy. Then you were wrong in saying that there were not sufficient boxes.

Mr. DOLAN. I do not remember having said that. Really, if I did, I did not intend that, because the boxes are continually coming in there.

Mr. McCoy. Did you examine the furniture before you gave the orders?

Mr. DOLAN. No, sir.

Mr. SLEMP. Do I understand that this work was done in response to a direct request from Mr. Thomson?

Mr. DOLAN. Yes, sir.

Mr. SLEMP. Can you tell the committee the number of hours a day that Mr. Thomson was working for the Government at that time?

Mr. DOLAN. Mr. Thomson's time was wholly taken up with the committee work in connection with the organization of the Postal Savings System. He spent very little time in the Division of Supplies, in fact, he was not there for some period, and for four or five days I would not see him.

Mr. SLEMP. How many hours did he work?

Mr. DOLAN. At that time, if I remember correctly, the committee on the organization of the Postal Savings System was holding two sessions a day—that is, two regular sessions—morning and afternoon, and a great number of the sessions were carried on after midnight, and a few of these sessions were continued until next morning.

Mr. McCoy. How did you find that out?

Mr. DOLAN. I was the assistant superintendent of supplies and had to keep in touch with Mr. Thomson.

Mr. McCoy. Did you sit up until after midnight for him?

Mr. DOLAN. No, sir; but Mr. Thomson told me about it.

Mr. McCoy. You knew only what Mr. Thomson told you?

Mr. DOLAN. I heard what Mr. Thomson said and what other members of the committee said.

Mr. McCoy. So you considered in having Mr. Byrne do this work in Government time, that you were in a way compensating Mr. Thomson for working over hours?

Mr. DOLAN. No, sir; not in the light you put it.

Mr. McCoy. In what light do you put it?

Mr. DOLAN. I did not say it was a compensation.

Mr. McCoy. That was my question.

Mr. DOLAN. Then I do not consider it a compensation.

Mr. McCoy. Then, why do you speak of his having to work over hours?

Mr. DOLAN. Because of the fact that Mr. Thomson's time was wholly taken up by department matters, and in view of the fact that he had circumstances in his household that compelled him to break up his home.

Mr. SLEMP. And leave the city very quickly?

Mr. DOLAN. Well, he was called out of the city two or three times, and the Postmaster General would order him——

Mr. SLEMP (interposing). Do you mean he was ordered to Austin?

Mr. DOLAN. I was under the impression that Mr. Thomson anticipated the fact that he would be sent to Austin, and that in a measure is why the furniture came to be put in the Division of Supplies.

Mr. McCoy. What gave you the impression that he anticipated going there?

Mr. DOLAN. His very actions. I did not know that he was going to Austin, but I knew that he was going to some place, or he would not have broken up his home in Washington.

Mr. ALEXANDER. Was not that on account of his wife's health?

Mr. DOLAN. Yes, sir.

Mr. McCoy. What has that to do with using Government employees in Government time?

Mr. DOLAN. I can only speak as to the furniture——

Mr. McCoy (interposing). I am speaking of the furniture.

Mr. DOLAN. That came from Terra Alta, W. Va. I think that was in the latter part of September, or the first part of October. Mr. Thomson went to Terra Alta with his family, and to take his wife to Canada; I guess, anticipating the trip to Texas, he wanted his wife to see her folks who live in Canada, and after he had gone to Terra Alta, his wife was so sick that he did not even take her from the Union Station when they arrived in Washington. She remained at the Union Station to catch another train——

Mr. McCoy (interposing). Are you giving this as an answer to my question?

Mr. DOLAN. Just what was your question?

Mr. McCoy. I have forgotten it myself.

The CHAIRMAN. Please confine your replies to the questions, instead of giving such great evidence of your friendship for Mr. Thomson.

Mr. DOLAN. I think I am doing that now, Mr. Chairman.

Mr. SLEMP. I do not think that ought to go into the record. I do not think the gentleman has any desire to protect Mr. Thomson, so far as the evidence is concerned.

Mr. DOLAN. I think, under the circumstances, this should go into the record, because I read Mr. Thomson's testimony, and I do not think it was fully gone into.

Mr. MCCOY. You think that you should fortify Mr. Thomson's testimony?

Mr. DOLAN. No, sir; but I think the committee should be informed.

Mr. MCCOY. Don't you think the committee can depend upon Mr. Thomson? I suggest that you answer my question. What has the question of Mr. Thomson's working over hours to do with using Government employees in Government time for his private work?

Mr. DOLAN. If I may continue my remarks, the furniture came from Terra Alta. Mr. Thomson, as I say, went to Terra Alta to bring his family to Washington, or Canada, and after he got to Washington, his wife was so sick that she had to go to Canada, and that is why he shipped his furniture. He wrote a letter asking me to look after his furniture.

Mr. MCCOY. Do you know of any reason for the benefit of the Government, why Mr. Thomson should not have hired somebody in Washington outside of a Government employee to pack and ship that furniture?

Mr. DOLAN. The only reason I can give in that connection is because, perhaps, Mr. Thomson did not want the furniture to fall into the hands of strangers.

The CHAIRMAN. I would like to ask Mr. Dolan if he knows about how much time Mr. Byrne used in this work of crating Mr. Thomson's household goods?

Mr. DOLAN. It might have been two or three days.

The CHAIRMAN. Do you know whether or not he was on leave of absence when he did this work?

Mr. DOLAN. He was not.

The CHAIRMAN. And the work was done in Government time and while he was receiving Government pay?

Mr. DOLAN. Yes, sir.

Mr. SLEMP. Do you know of any other instances, since you have been connected with the Government service, in which Government employees have been doing work for other Government officials in Government time while they were not on leave of absence?

Mr. DOLAN. I do not.

Mr. SLEMP. Now, one other question relating to the boxes; you mentioned that it used to be the custom to throw these boxes away?

Mr. DOLAN. Yes, sir.

Mr. SLEMP. What is the present custom?

Mr. DOLAN. The present custom is to take the boxes out and use them as far as we can in sending out supplies.

Mr. MCCOY. How long has that system prevailed in the division?

Mr. DOLAN. In the last four or five months.

Mr. REDFIELD. You said that these boxes were continually coming in in carload lots?

Mr. DOLAN. That may have been an exaggeration.

Mr. REDFIELD. That is only preliminary to a question I am going to ask you. A great many boxes are coming in?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. And, as I understand, of all sizes and shapes?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. And they take up a lot of room?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. And, in a general way, in order to avoid storing them I understand that until recently it was the custom of the department to send them downstairs, and there they were given away for kindling wood?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. Many of these boxes were heavy packing cases, were they not, containing paper and similar supplies; that is, they were ordinary shipping cases?

Mr. DOLAN. Yes, sir; ordinary shipping cases would be the description.

Mr. REDFIELD. What is the current price of good kindling wood in the city of Washington?

Mr. DOLAN. I really do not know the actual price, but I will state that we have had some trouble in getting people to carry these boxes away.

Mr. REDFIELD. But I want to know the current price of kindling wood in Washington.

Mr. DOLAN. I do not know.

Mr. REDFIELD. You are the head of the division?

Mr. DOLAN. I am acting as assistant superintendent.

Mr. REDFIELD. Do you know whether anybody there has inquired the price of kindling wood in Washington?

Mr. DOLAN. Not to my knowledge.

Mr. REDFIELD. In other words, the question as to whether it has a salable value as kindling wood has, to your knowledge, never been investigated?

Mr. DOLAN. Well, I heard it said that, especially in the summer time, we could not get rid of the boxes at all; that it would cost more to haul them away than the boxes would be worth.

Mr. McCoy. Who said that?

Mr. DOLAN. Some of the laborers and employees around the division.

Mr. SLEMP. Did you ever have any demand from anybody in the city of Washington for the purchase of these boxes as kindling wood?

Mr. DOLAN. No, sir.

Mr. SLEMP. Who does carry them away?

Mr. DOLAN. The employees of the express companies get them away.

Mr. REDFIELD. Is there any concern in Washington in the business of selling coal and wood?

Mr. DOLAN. Yes, sir; there are several such concerns.

Mr. REDFIELD. Therefore, they must have a market value.

Mr. DOLAN. I do not know that they have, but I presume they have.

Mr. REDFIELD. Still, I understand you to say, there are concerns that sell wood?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. And concerns that do not have to give it away, but sell it?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. But in fact, so far as you know, was any effort made to determine the kindling-wood value of this material?

Mr. DOLAN. None that I know of.

Mr. REDFIELD. How does it happen that the boxes become reduced to such a state that they have only a kindling-wood value?

Mr. DOLAN. Well, in opening the cases—I might state that the cases when they come to us are nailed with large nails.

Mr. REDFIELD. They are wire nails, are they not?

Mr. DOLAN. Some of them are wire and some are iron, but it makes but little difference. In opening the cases the laborers employed in such work would so damage the boxes that they would not be of any service.

Mr. REDFIELD. Will you explain to the committee how they would damage the boxes in opening them?

Mr. DOLAN. I do not mean to say that they damage them purposely, but in the course of opening the boxes.

Mr. REDFIELD. In the natural course of opening the boxes?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. And your idea is that it is inevitable that they must be seriously damaged in opening them?

Mr. DOLAN. I do not say that it is inevitable.

Mr. REDFIELD. But I understand that it was customary to open the boxes in such a way that they were more or less badly damaged?

Mr. DOLAN. A great many of them are.

Mr. REDFIELD. What do they open them with?

Mr. DOLAN. Hatchets and claw hammers.

Mr. REDFIELD. That is interesting.

Mr. DOLAN. Sometimes they use nail pullers.

Mr. REDFIELD. But not generally?

Mr. DOLAN. Usually they use claw hammers and hatchets.

Mr. REDFIELD. Why do they not use nail pullers universally?

Mr. DOLAN. A great number of the boxes are of such a light and flimsy character that they would not be serviceable to us in shipping supplies.

Mr. REDFIELD. That does not answer my question.

Mr. DOLAN. I am trying to fix in my mind the character of boxes that they use nail pullers on and the kind they do not use them on. At that time they did not use nail pullers universally, but now they do use nail pullers where it appears that the box will be serviceable for reshipping supplies.

Mr. REDFIELD. Then there has been a reform in the respect you mention?

Mr. DOLAN. In some respects there has been. That is the practice to-day with boxes in the Division of Supplies that can be used again.

Mr. ALEXANDER. Does that result in a large economy?

Mr. DOLAN. Yes, sir; that does effect an economy.

Mr. REDFIELD. You realize that there is a market demand for second-hand boxes?

Mr. DOLAN. I know nothing of it.

Mr. REDFIELD. Do you know that the object of the nail puller is to enable a man to open the box easily without damaging the box?

Mr. DOLAN. I suppose that is its function.

Mr. REDFIELD. In order that the box may be in a condition to be used again?

Mr. DOLAN. I guess so.

Mr. REDFIELD. And do you know, or do you not know, that it has been for many years the custom of all manufacturing concerns to regularly open their boxes in that way, with that end in view?

Mr. DOLAN. Well, I know that some mercantile firms do that, but I do not know about the custom.

Mr. REDFIELD. Do you wish the committee to understand that the waste which has prevailed in respect of the failure to utilize these packing cases has been entirely done away with?

Mr. DOLAN. Yes, sir; and furthermore, when we use new packing cases, we have gone so far as to use screws in fastening the tops on the box in order that the postmasters in the larger cities, who get a great amount of supplies, may return the boxes to the Division of Supplies to be used again. That rule is in force in the Division of Supplies.

The CHAIRMAN. Do you know an employee in your division named J. E. Graves?

Mr. DOLAN. Yes, sir.

The CHAIRMAN. Do you know whether or not he did any work for Mr. Thomson at his house or not?

Mr. DOLAN. Not to my personal knowledge; I know nothing of it at all.

The CHAIRMAN. Do you know whether during the past year he left your division at any time to do work outside of the Post Office Department?

Mr. DOLAN. If he did, I have no knowledge of it.

The CHAIRMAN. Do you know whether he was absent at any time when he ought to have been at the Post Office Annex at work?

Mr. DOLAN. I do not.

The CHAIRMAN. Do you know whether he made any screens at Mr. Thomson's house or whether he built a room at his house?

Mr. DOLAN. The first time I heard of screens was at this hearing.

The CHAIRMAN. You do not know whether he took any material from the annex for that purpose?

Mr. DOLAN. No, sir.

Mr. MCCOY. Do you have any time clocks in the Division of Supplies?

Mr. DOLAN. No, sir.

The CHAIRMAN. You have nothing to do with the time of the employees?

Mr. DOLAN. We have a clerk for that purpose.

The CHAIRMAN. If some of the employees were out, you would not miss them?

Mr. DOLAN. Hardly.

Mr. MCCOY. What is the salary of the clerk who keeps the time?

Mr. DOLAN. \$1,000 per annum.

Mr. MCCOY. Did anybody ever suggest that you have time clocks down there?

Mr. DOLAN. Not with respect to the Division of Supplies. I understand that at one time there was some talk of putting them in the department, and some objection was made to it.

Mr. REDFIELD. Have you any accurate means of accounting for the time of every employee in your division?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. If you were given the names of three employees, could you produce before the committee records for any day during the past year showing just what each man was doing at each hour of the day?

Mr. DOLAN. I do not know that our records would show that, but you could get those records from the appointment clerk's office.

Mr. REDFIELD. How could you do that without a time clock? I do not imply that you do not do it, but how do you do it?

Mr. DOLAN. At the present time, and I think at the time when Mr. Thomson was there—and I think he introduced the practice—when any employee wished to be absent any day or a part of a day, he must send in a permission slip.

Mr. REDFIELD. That is not what I mean.

Mr. DOLAN. I was coming to that. That permission slip was approved by the superintendent and it goes to the time clerk, and the time clerk forwards the permission slip to the appointment clerk's office. That is how we account for one day or a part of a day in our division.

Mr. REDFIELD. For absence?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. Now, how do you account for the presence of an employee? Let me illustrate what I mean: Let us assume that John Doe is employed from 9 a. m. to 11 a. m. on job No. 1. At 11 o'clock he is to be called off on job No. 5. How does he get his instructions to make that shift, and what record is kept of the two hours put upon job No. 1?

Mr. DOLAN. We do not keep a cost system, and there is no record kept at all.

Mr. REDFIELD. Then you have no record which would show the cost of the various elements of that work?

Mr. DOLAN. No, sir.

Mr. REDFIELD. If I asked you to tell me how much time was spent upon this or that element of your work, you have no records that would show that?

Mr. DOLAN. No, sir.

Mr. REDFIELD. Then it is true, as a matter of fact, that you do not know, except from your aggregate pay roll, what these items do cost, is it not?

Mr. DOLAN. What these items cost?

Mr. REDFIELD. What these different items of your work cost; you only know by your aggregate pay roll?

Mr. DOLAN. That is all.

Mr. REDFIELD. And without that knowledge is it not true that you can not say whether you ought to economize here, or in this place or in that, because you do not know the cost, and therefore you can not tell whether you should economize or not; is not that necessarily so?

Mr. DOLAN. I guess you are stating that pretty broadly. We have the division sectionized, and we can run down the cost of handling any particular work by the number of clerks employed to do it.

Mr. REDFIELD. But you tell me you have no record of the actual hours kept, and without that record how can you tell the cost? Take, for an illustration, as my colleague suggests, the Thomson crating case. In a modern factory, to make my illustration more clear, the man who was put upon that Thomson crating case would receive
p from his foreman.

Mr. DOLAN. Probably so.

Mr. REDFIELD. And when he returned from the Thomson crating case he would have to account to the timekeeper for the actual number of hours employed thereon.

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. There is no other way known to modern business of obtaining cost. You tell me you have no such system?

Mr. DOLAN. We have no cost system; no, sir.

Mr. REDFIELD. And therefore I ask you how you can tell what the various elements of your work cost, and, without so telling, how can you intelligently economize on it?

Mr. DOLAN. We can approximate the cost of any particular branch of our division and the handling of any of our work.

Mr. REDFIELD. Then it is only an approximation?

Mr. DOLAN. That is all.

Mr. REDFIELD. That approximation takes no account of the difference in the efficiency of the men? You simply figure you have so many men for so many hours, and that is the way you get at it. But, as regards what each one of those men is doing, and whether his time is efficiently and economically spent, you have not any knowledge?

Mr. DOLAN. Under the system that is in force in the departments in Washington, there is no way we could tell that.

Mr. REDFIELD. That is just the point; there is no way in which you could tell?

Mr. DOLAN. That is not peculiar to the Division of Supplies. I think it is peculiar to the entire departmental service here in Washington.

Mr. REDFIELD. I beg your pardon. I went into a great department a few days ago and was told these facts, and I want to ask you if you can produce any such statement: That within a given time the percentage of wages had increased so much, the percentage of output had increased so much, and the percentage of cost had decreased so much. Can you furnish any such facts, and give it item by item—that is, room by room, department by department, of your office? In other words, have you got even the semblance of any modern system of keeping cost of that work?

Mr. DOLAN. No, sir; there is no cost system whatsoever there.

Mr. REDFIELD. I want to ask just one more thing: You said, in connection with these boxes, that all that could be utilized were so utilized. What do you do with those you can not utilize for crating?

Mr. DOLAN. We throw them away.

Mr. REDFIELD. Has no effort been made to find a market for them at any time?

Mr. DOLAN. Not that I know of.

Mr. SLEMP. Do you not think that would be a good idea, Mr. Dolan?

Mr. DOLAN. My personal opinion is that it would be a good idea to investigate it.

Mr. SLEMP. You understand the object of the committee?

Mr. DOLAN. Yes. My personal opinion is, from what I hear from employees—last summer I had occasion to solicit from the neighbors that they would take some of that lumber away, because it was piling up and I wanted to get rid of it. We do not like to have it around under the place we have to keep it, which is a trestle-

work, and it might possibly be exposed to ignition or something and start a fire. I did not like to see it around there. But it would not be a bad idea to look into the facts to see whether it is salable.

Mr. REDFIELD. Have you ever thought of advertising for proposals to take away your waste lumber at a fixed price?

Mr. DOLAN. No, sir; I had never thought of that.

Mr. REDFIELD. Have you ever thought of using it as fuel?

Mr. DOLAN. We do that.

Mr. REDFIELD. You use what you can as fuel?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. In what connection?

Mr. DOLAN. We use it in the building for building fires.

Mr. REDFIELD. I mean, under a boiler or for some regular purpose?

Mr. DOLAN. Yes, sir; we use it in the fireroom.

Mr. REDFIELD. You do use it in the fireroom?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. What do you do with waste paper and waste twine and that sort of thing?

Mr. DOLAN. We do not have the disposition of that. That comes under the chief clerk of the department. We send it all over to the department.

Mr. REDFIELD. Mr. Weed?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. Do you know, as a matter of fact, what is done with it?

Mr. DOLAN. Oh, yes: it is sold. We have regular contractors.

Mr. REDFIELD. To take the waste paper?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. Do you not think it would be a wise thing to find if you could not get a regular contractor for that wood, too?

Mr. DOLAN. It seems to be worth investigating.

Mr. ALEXANDER. You have regular coal and wood dealers here in town, have you not, a number of them?

Mr. DOLAN. That supply the department?

Mr. ALEXANDER. Oh, no.

Mr. DOLAN. Oh, in Washington?

Mr. ALEXANDER. Yes.

Mr. DOLAN. Yes.

Mr. ALEXANDER. Would it not be wise to call their attention to this waste and ask them to bid on it?

Mr. DOLAN. Yes, sir.

Mr. REDFIELD. Had it ever occurred to you that there was no market for your waste wood arising from the condition in which it might be?

Mr. DOLAN. From the what?

Mr. REDFIELD. From the condition in which it was. Perhaps I should make myself more clear. It frequently happens that an article is salable, but is not salable in the form in which you have it.

Mr. DOLAN. I see what you mean.

Mr. REDFIELD. And what I want to get at is whether intelligent thought has been put upon this waste, if necessary, so as to put it in a form for sale?

Mr. DOLAN. I might state that we use all the boxes, and the laborers who have to do that opening of the cases have been instructed to exercise due care in opening them in order that we can reuse the boxes.

Mr. REDFIELD. But I am speaking of what you do not use.

Mr. DOLAN. I guess you would have to see a pile of those boxes to appreciate it.

Mr. REDFIELD. Let me illustrate by an example. I am making a suggestion to you which I hope will be of use. I have a large quantity of scrap material, and could not get any price for it. But I find that if I could cut it up I could get a big price for it. Your waste lumber, your waste boxes, possibly might be so reduced to a certain size that they would have a market value which without that they would not have. What I want to know is whether anybody has ever thought it worth while to study that waste heap?

Mr. DOLAN. Not that I know of.

Mr. SLEMP. Do you not think that if a plan were inaugurated along the line suggested by Mr. Redfield here, an accounting had of the work of all employees by the hour, and it should be known just exactly where they are and what they are doing every hour, it would practically eliminate this business of Government employees doing private work for officials? Do you not think that would not so easily creep in?

Mr. DOLAN. It may, to some extent.

Mr. SLEMP. You know the order would have to be official and directed to a specific personal work, and it would be so plain that people would not go into that so readily. I do not mean to say the custom is general, but it would eliminate it entirely, do you not think?

Mr. DOLAN. You mean if there were slips kept?

Mr. SLEMP. Yes, sir; specific work by hours.

Mr. DOLAN. I do not know as to the practicability of that.

Mr. SLEMP. This committee could not tell, except by evidence it might accidentally run across, whether a lot of work might not have been done down there for individuals not connected with the Government in any way at all; but if you had this system, and it was carried out honestly, you could tell, and consequently it would not be done.

Mr. DOLAN. That may help. In our office we have about forty-odd clerks and nearly as many laborers, and the laborers are constantly shifted from one floor to the other to help out. Sometimes a shipping floor would be congested with work, and we would be compelled to send laborers who were storing supplies away or opening supplies, or doing any other job, not shipping supplies, and to put them at that work.

Mr. REDFIELD. But do you not see, Mr. Dolan—and this is entirely without thought of criticizing you—that that very condition is the condition which leads to unknown waste, and that the very object of a modern cost-keeping system is to know how much you are wasting in that way?

Mr. DOLAN. Mr. Redfield, I agree with you that the cost system is a very effective system in the management of any business concern.

Mr. REDFIELD. And you know, of course, that in a great concern—taking any great concern with 10,000 employees—the manager expects to at any hour ask for the record of such a room or such a man,

regardless of the number and the complexity of the work, and to have it like [indicating], instantly shown him, and that otherwise there is no means for him to know whether he is wasting or saving money.

Mr. DOLAN. Under the system now in vogue the clerk in charge of the sections, or the foreman in charge of the gangs of laborers, should bring those conditions to the attention of the superintendent.

Mr. REDFIELD. So far as they know?

Mr. DOLAN. Yes.

Mr. REDFIELD. They keep them in their heads?

Mr. DOLAN. I guess they do.

Mr. MCCOY. You say there are 40 clerks in the Division of Supplies?

Mr. DOLAN. I think there are about that number.

Mr. MCCOY. How many superintendents are there?

Mr. DOLAN. One superintendent.

Mr. MCCOY. And how many laborers are there?

Mr. DOLAN. Nearly 40. We have about 82 or 83 employees, and they are about equally distributed; that is, about half clerks and about half laborers.

Mr. MCCOY. That makes the entire force in the division?

Mr. DOLAN. That is the entire force in the Division of Supplies.

Mr. MCCOY. That is what I am talking about; that is, your division?

Mr. DOLAN. Yes. But the superintendent of the Division of Supplies is also the superintendent of the annex buildings, and he has that also to look out for; and there are about 25 employees caring for and looking after the buildings.

Mr. MCCOY. But in the Division of Supplies there are about 40 clerks, you think, and 40 laborers?

Mr. DOLAN. I should say there are about that number; I have never counted them.

Mr. MCCOY. Does each clerk have supervision over one laborer? Is that the way it is divided?

Mr. DOLAN. Oh, no, sir.

Mr. MCCOY. I would just like to find out. That seems to be a peculiar situation. There are 40 clerks and 40 laborers. What do the clerks do, and what do the laborers do?

Mr. DOLAN. The clerks are confined to clerical duties.

Mr. MCCOY. Does one laborer furnish enough in the way of detail work to acquire one clerk to be supervising him?

Mr. DOLAN. No, sir. The laborers are under a clerk; all the laborers are under two clerks. One has a certain number and another has a certain number. The receiving clerk has a gang and the shipping clerk has a gang.

Mr. MCCOY. What does the clerk do?

Mr. DOLAN. The clerk is in charge.

Mr. MCCOY. Charge of what?

Mr. DOLAN. Of the gang under him, laborers.

Mr. ALEXANDER. These clerks have to do with receiving goods and checking them in and keeping the books, and the shipping clerks make up the bills of lading and supervise the shipping of goods out, do they not, and the laborers do the packing?

Mr. DOLAN. Gentlemen, if you want me to go into detail, I can go right into detail as to just how the work is handled.

Mr. ALEXANDER. If it is necessary, do it.

Mr. REDFIELD. Let me ask a question which, perhaps, may save your time and bring the matter up. The clerical force as a whole has no relation to the laboring force as a whole. As I understand, there are two clerks who supervise the laborers; the other 38 clerks are employed upon entirely different work; is that so?

Mr. DOLAN. Yes, sir; with one exception—perhaps two exceptions. There is one clerk, and then he has an assistant.

Mr. REDFIELD. Then the ratio of laborers to clerks would more properly be 40 to 4; and the other 36 men would be engaged upon entirely different matters; is that right, substantially?

Mr. DOLAN. The other 36 clerks? That is right. I guess I will have to explain that.

Mr. ALEXANDER. What do these clerks do?

Mr. DOLAN. Which clerks?

Mr. ALEXANDER. The 36.

Mr. DOLAN. They handle the clerical work. That relates to the management of the Division of Supplies. For instance, they have the superintendent's office, in which is the superintendent and the assistant; next, we have a review section, which has about six or eight clerks who review requisitions and do nothing else; next, we have a bookkeeping section, which is in charge of a head bookkeeper, and has about four or five clerks, who have to attend to the keeping of the books and the fixing of accounts for the Auditor, and seeing that we get the proper receipts, and so forth, for accounting and auditing; then we have a printing section that handles the work with reference to the printing for the department; then we have a freight section, which has to do with the routing of freight and the handling and the making up of the bills of lading and the mailing thereof; then we have another section that has to do with the handling of official envelopes and money-order forms; then we have a clerk in charge of files, who has two or three clerks under him, and we have a clerk in charge of shipping who has several laborers under him; then we have a receiving clerk, who is in charge of receiving supplies, who has laborers under him. That is about the way they are divided.

Mr. REDFIELD. Then, in substance, it is about as I said; the ratio of clerks and laborers in the work where the two are together is 2 or so clerks to 40 laborers; that is about the proportion?

Mr. DOLAN. Two or so clerks to how many?

Mr. REDFIELD. Forty.

Mr. DOLAN. There are 4 clerks to 40 laborers.

Mr. REDFIELD. And the other 36 clerks, or thereabouts, have nothing to do with the laboring work?

Mr. DOLAN. No; they do not come in contact with them whatsoever.

Mr. REDFIELD. Does that cover your inquiry, Mr. McCoy?

Mr. McCoy. Not exactly. Of course, I am not familiar with business concerns, and I just wondered whether, as a matter of ordinary business experience, 40 laborers, either receiving or shipping material, could do so much business as to keep 40 clerks at work. I had always supposed that a clerical force was very small in proportion to the number of employees who were producing business, so to speak, either receiving or sending.

Mr. REDFIELD. That is so; but this is a different case.

Mr. McCoy. I do not know; I just wanted to find out. I do not know yet why it should be different; it apparently is different.

The CHAIRMAN. Mr. Dolan, have you ever had any differences or trouble of any kind with Mr. Thomson?

Mr. Dolan. No, sir; not that I know of.

The CHAIRMAN. Your relations with him have always been friendly, have they not?

Mr. Dolan. Friendly?

The CHAIRMAN. Yes.

Mr. Dolan. Yes, sir; he has always treated me all right.

The CHAIRMAN. That is all.

(The witness was excused.)

TESTIMONY OF MR. MADISON W. McCARTNEY.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Give your name and address.

Mr. McCartney. Madison W. McCartney; 25 Randolph Place NW.

The CHAIRMAN. Mr. McCartney, are you employed in the Division of Supplies, Post Office Department?

Mr. McCartney. No, sir.

The CHAIRMAN. Are you employed in the Post Office Department Annex?

Mr. McCartney. Yes, sir.

The CHAIRMAN. What are your duties?

Mr. McCartney. Engineer.

The CHAIRMAN. How long have you been there in that capacity?

Mr. McCartney. I have been in the Post Office Department since 1900.

The CHAIRMAN. Mr. McCartney, did you have anything to do with the supervising or storing of the household goods of Mr. Thomson sometime last year?

Mr. McCartney. I did not.

The CHAIRMAN. You do not know anything about it?

Mr. McCartney. I was off on leave when those goods arrived there, and I came back from leave about the 5th of October.

The CHAIRMAN. Were the goods still there then?

Mr. McCartney. The goods were stored on the second floor of the Annex Building.

The CHAIRMAN. How long were you off on your leave?

Mr. McCartney. I think about 25 days.

The CHAIRMAN. Do you know how long those goods were stored there?

Mr. McCartney. Those goods went out about the 28th or 29th of October.

The CHAIRMAN. Do you know anything about the crating of those household goods?

Mr. McCartney. I do not.

The CHAIRMAN. You do not know whether it was done there in the annex or not?

Mr. McCartney. I do not. They were crated when I saw them when I came back on my leave.

The CHAIRMAN. Do you understand that this work was done while you were absent on your leave?

Mr. McCARTNEY. I do not. I would not say it were or not. It might have been done afterwards. They were crated, I know, when I saw them, when I came back from my leave.

The CHAIRMAN. You do not know who did the work?

Mr. McCARTNEY. No.

The CHAIRMAN. You did not hear anything about it?

Mr. McCARTNEY. Not at that time.

The CHAIRMAN. Have you since?

Mr. McCARTNEY. Yes, sir; I heard they were crated there.

The CHAIRMAN. By whom?

Mr. McCARTNEY. That I could not tell you.

The CHAIRMAN. By whom did you hear they were crated; did you hear?

Mr. McCARTNEY. By Joe Graves and Byrne, I believe.

The CHAIRMAN. You heard that Joe Graves and Byrne crated the household goods?

Mr. McCARTNEY. Yes, sir.

The CHAIRMAN. That is all you know about it?

Mr. McCARTNEY. That is all I know; yes, sir.

Mr. REDFIELD. Has anybody talked with you about this thing?

Mr. McCARTNEY. You mean officially, in the post office?

Mr. REDFIELD. Anybody.

Mr. McCARTNEY. No; nothing—only just ordinary conversation going around among the men over there.

Mr. REDFIELD. What have you heard in your ordinary conversation among the men?

Mr. McCARTNEY. Nothing; only there was an investigation going on here; nothing in particular. I know that question came up.

Mr. REDFIELD. In conversation it came up that there was an investigation going on over here, and they stopped when they said that, did they?

Mr. McCARTNEY. Some of those men acknowledged they said down there they crated this stuff.

Mr. REDFIELD. During Government time?

Mr. McCARTNEY. No; I do not know anything about that.

Mr. REDFIELD. During the middle of the day?

Mr. McCARTNEY. They said they had crated it; I do not know in whose time they did it.

The CHAIRMAN. You do not know who did supervise the storing of those household goods in the Annex there?

Mr. McCARTNEY. I do not.

The CHAIRMAN. You have not heard who did?

Mr. McCARTNEY. No, sir.

Mr. SLEMP. Do you have any men under your employ?

Mr. McCARTNEY. Yes, sir; I have charge of the laborers; that is, the laborers who come under the Postmaster General, the laborers of the building, and the charwomen, the elevator runners, firemen, and the watchmen.

Mr. SLEMP. About how many, all together?

Mr. McCARTNEY. About 25 or 26.

Mr. SLEMP. Do you keep an accurate account of the hours each one of the men you have under your charge puts in?

Mr. McCARTNEY. I do not. If they request leave, or anything of that kind, I give them leave, and I only keep a note of the length of

time they were on leave. I do not keep any regular record of that; we are not allowed to.

Mr. REDFIELD. If I asked you what the difference in cost for your particular labors was for this month as compared with last month, could you tell me?

Mr. McCARTNEY. Yes; by taking the number of men who were on duty there, counting up their salaries.

Mr. REDFIELD. Figuring it up?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. But you are not able to account for the day's work of every man, are you?

Mr. McCARTNEY. I do not keep an itemized account. I have the work all split up, and each man has his duties.

Mr. REDFIELD. Is there anybody who does keep a regular account of each man through the day, accounting for every hour of his time?

Mr. McCARTNEY. I keep a record of their time; that is, I send their time in.

Mr. REDFIELD. That is, their total time?

Mr. McCARTNEY. Yes.

Mr. REDFIELD. But do you not send in a detailed time?

Mr. McCARTNEY. No; we only keep a record of leave.

Mr. REDFIELD. You only keep a record of leave?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. You keep none, and, so far as you know, nothing is kept, in the line of a regular cost system?

Mr. McCARTNEY. I suppose the time clerk does that.

Mr. REDFIELD. Do you know whether he does or not?

Mr. McCARTNEY. I send my time in to the superintendent of the annex building, and it goes from there to the appointment clerk.

Mr. REDFIELD. You mean the aggregate time?

Mr. McCARTNEY. I mean the time they are off on leave.

Mr. REDFIELD. But, as between the efficiency of two men and two other men, you have nothing to show?

Mr. McCARTNEY. I work my men to the best advantage.

Mr. REDFIELD. The best you can?

Mr. McCARTNEY. Yes.

Mr. SLEMP. Would it be possible, under your system, for some of the men under your charge to be continually doing work for private individuals in Government time, without your detection?

Mr. McCARTNEY. No, sir.

Mr. SLEMP. You keep such a close watch?

Mr. McCARTNEY. I keep a close watch on them. I am on the move all the time with my people. Another thing, I have a watchman watch them. They have to sign in and sign out in a register.

Mr. REDFIELD. Did I understand you are the engineer?

Mr. McCARTNEY. Yes.

Mr. REDFIELD. Have you engines to operate?

Mr. McCARTNEY. We have not. We have a heating system, and electrical elevators—three.

Mr. REDFIELD. A heating system and electric elevators?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Do you make your own power?

Mr. McCARTNEY. No, sir; we buy it.

Mr. REDFIELD. What do you pay for power?

Mr. McCARTNEY. That I can not tell you.

Mr. REDFIELD. You do not know what the power cost is?

Mr. McCARTNEY. The chief electrician handles that; the chief clerk.

Mr. REDFIELD. You have no steam engines, steam pumps, nothing like that under your charge?

Mr. McCARTNEY. No, sir; not in this position.

The CHAIRMAN. How much salary do you receive?

Mr. McCARTNEY. A thousand dollars.

The CHAIRMAN. I do not think you are overpaid.

Mr. McCARTNEY. In connection with the assistant engineer, I reported to Shaw; you see, I am under the chief engineer as assistant engineer, and have been in connection with those duties at that building. The assistant superintendent gave me charge of the watchmen, and so forth, and laborers, and such as those, and Mr. Shaw, the assistant superintendent of buildings, handles them, and then, after Mr. Thomson came to those buildings as superintendent of supplies, I think on the 18th of March, 1909, I received a letter from Mr. Weed, chief clerk of the Post Office Department, notifying me that Mr. Thomson had been made superintendent of the annex building, and for me to report to him for instructions.

Mr. REDFIELD. Have you a watchman's clock in that building?

Mr. McCARTNEY. We have.

Mr. REDFIELD. Is that in the nature of a central clock, with different spaces?

Mr. McCARTNEY. It is not.

Mr. REDFIELD. Is it a portable clock that he carries about with him?

Mr. McCARTNEY. It is.

Mr. REDFIELD. And what is done with the records from that clock?

Mr. McCARTNEY. I hold the records and keep them on file.

Mr. REDFIELD. Are they supervised by anybody except yourself?

Mr. McCARTNEY. No, sir. I hold them, and if anything comes up and the superintendent demands them, I dig the charts out and take them up.

Mr. REDFIELD. Has he ever done so?

Mr. McCARTNEY. He has.

Mr. REDFIELD. What fuel have you any occasion to use there?

Mr. McCARTNEY. We use hard coal, pea coal.

Mr. REDFIELD. Under boilers?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Do you ever use wood?

Mr. McCARTNEY. We use only a little bit of scrap wood, boxes, etc.

Mr. REDFIELD. For what purpose do you use that?

Mr. McCARTNEY. For lighting fires.

Mr. REDFIELD. For lighting fires?

Mr. McCARTNEY. Yes.

Mr. REDFIELD. You do not use it for continual burning?

Mr. McCARTNEY. No, sir.

Mr. REDFIELD. You use coal for continual burning?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Are your grate bars fitted for the burning of wood continually?

Mr. McCARTNEY. They are not.

Mr. REDFIELD. Would it be possible for you to utilize the entire output of waste wood in that building under your fires?

Mr. McCARTNEY. Oh, yes, sir; we could burn that in connection with the coal. There is not enough waste wood there to supply us. There is very little waste wood there now.

Mr. REDFIELD. The testimony before the committee now is that there is so much that they have great difficulty in getting rid of it.

Mr. McCARTNEY. They are using all the boxes they can possibly use to mail out stuff from the Supply Division. They are using every box that can possibly be used.

Mr. REDFIELD. Then just at present, you say, there is not enough waste wood there to provide you with fuel sufficient to make it worth while?

Mr. McCARTNEY. No, sir.

Mr. REDFIELD. In the use of coal, do you have to account for the cost of your fuel for a unit of steam produced, or anything of that kind?

Mr. McCARTNEY. No, sir.

Mr. REDFIELD. You simply have so many tons of coal?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Do you use it for heating purposes?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Under what system of heating?

Mr. McCARTNEY. It is a steam system.

Mr. REDFIELD. High pressure?

Mr. McCARTNEY. No, sir; about 5 pounds.

Mr. REDFIELD. The direct radiation system?

Mr. McCARTNEY. Yes, sir.

Mr. REDFIELD. Steam coils?

Mr. McCARTNEY. And radiators.

Mr. REDFIELD. Blowers?

Mr. McCARTNEY. No, sir; just radiators, single-pipe radiators.

Mr. REDFIELD. Could you tell the cost of operating that system in one month as compared with another?

Mr. McCARTNEY. No; I do not keep any record of that.

Mr. REDFIELD. Does anybody keep any record of that?

Mr. McCARTNEY. Which, of operating the engineering end of it?

Mr. REDFIELD. The heating system.

Mr. McCARTNEY. Certainly; the chief engineer in the Post Office Department.

Mr. REDFIELD. If this committee asked him for the relative cost of operating that heating system in January of three successive years, could he furnish it?

Mr. McCARTNEY. No doubt.

(The witness was excused.)

TESTIMONY OF MR. W. M. MOONEY—Recalled.

The CHAIRMAN. Mr. Mooney, you were before this committee two or three weeks ago, were you not?

Mr. MOONEY. Yes, sir.

The CHAIRMAN. What position do you hold in the Post Office Department, Mr. Mooney?

Mr. MOONEY. Disbursing clerk, Mr. Chairman.

Mr. REDFIELD. Will you state to the committee, Mr. Mooney, what your duties as disbursing clerk are?

Mr. MOONEY. My duties as disbursing clerk are to pay the salaries of the employees and any vouchers which come to me, properly certified, for the payment of materials used or received; making up requisitions for the amount of money for the pay roll, and so forth; and also receipting for old material receipts, which I deposit in the Treasury Department.

Mr. REDFIELD. In disbursing the salaries of employees do you include among that all the employees—the laborers, for example?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. And are disbursements made by you individually to every laborer?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. So that each man is treated by you as a separate unit?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. Your records will therefore show just the time for which each man is paid?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. Is it a fact that one Byrne was paid by the Government—

Mr. MOONEY. Pardon me. I will just save you some time there, Mr. Redfield. Mr. Byrne is not paid by me. He is paid on a different roll. He is the only exception in the supply division that I can recall now. He is paid on the Railway Mail Service roll—a special appropriation which is paid by the superintendent of postal finance.

Mr. REDFIELD. Superintendent of postal finance?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. And his name is what?

Mr. MOONEY. C. H. Fulloway. He is practically the paymaster or disbursing officer for the postal service.

Mr. REDFIELD. You have read the testimony before this committee, Mr. Mooney?

Mr. MOONEY. To which do you refer?

Mr. REDFIELD. I refer to that respecting the employment of certain post-office employees during the time in which they were under Government pay to do certain private work for Mr. Thomson?

Mr. MOONEY. Yes, sir: I glanced at it. I have not read it thoroughly at all.

Mr. REDFIELD. Can you or can you not say whether those men were paid by the Government for the time they were employed in Mr. Thomson's private work?

Mr. MOONEY. I know nothing about their having been employed in private work. They were paid.

Mr. REDFIELD. They were paid by the Government throughout the period when it is alleged they were so working.

Mr. MOONEY. Yes.

Mr. REDFIELD. That you will testify as disbursing officer?

Mr. MOONEY. Yes.

Mr. REDFIELD. You know Mr. Thomson, do you not?

Mr. MOONEY. Yes, sir.

Mr. REDFIELD. Has Mr. Thomson, directly or indirectly, suggested to you or requested you to state to the committee or to in any way arrange your records looking to a contrary effect than that to which you have just testified?

Mr. MOONEY. Absolutely not.

Mr. REDFIELD. Mr. Thomson has not asked you to testify before the committee that these men were not paid in Government time?

Mr. MOONEY. Oh, no, sir.

Mr. REDFIELD. Mr. Thomson has not suggested to you that perhaps you were mistaken in assuming that they were paid by the Government?

Mr. MOONEY. No, sir; we have not conversed on the subject at all.

Mr. REDFIELD. No communication has reached you from Mr. Thomson on a matter of any kind, directly or indirectly?

Mr. MOONEY. Absolutely. I have referred to his conversation in his testimony.

Mr. REDFIELD. What is that?

Mr. MOONEY. Just what I have read.

Mr. ALEXANDER. You mean you had no personal conversation with him?

Mr. MOONEY. Absolutely not. He did not know I would be called, or would have no reason to suggest a thing like that, because that would be impossible anyway.

Mr. REDFIELD. Nobody has suggested to you that they desired that you should make it clear in some way or other that these men were not paid by the Government?

Mr. MOONEY. None whatever, sir.

Mr. REDFIELD. Nothing has been written to you on the subject?

Mr. MOONEY. Not a word.

Mr. REDFIELD. Then you want the committee to understand that no one in any way, direct or indirect, has attempted to influence you to testify other than as you have done?

Mr. MOONEY. Absolutely.

Mr. SLEMP. Your work would simply be to issue checks to the various employees within your jurisdiction?

Mr. MOONEY. Yes; not checks, Mr. Slemp, because I pay mostly in cash, with the exception of those employees who are out in the field.

Mr. SLEMP. Who certifies to you the list——

Mr. MOONEY. The pay roll?

Mr. SLEMP. Yes; the pay roll.

Mr. MOONEY. And the time?

Mr. SLEMP. Yes. I want to get at who gives you a list of the leaves of absence.

Mr. MOONEY. That is done by the appointment clerk, who has charge of the time of all the employees.

Mr. SLEMP. You would not know anything about the person except as certified to you by some other official?

Mr. MOONEY. That is all. If there is a deduction to be made in the case of the absence of a certain employee, it is noted on a slip we get down one day prior to pay day. Then those deductions are made on the roll. They are certified to by the appointment clerk, or the chief clerk, and the rolls are signed by the administrative

officer, the Postmaster General, or Acting Postmaster General, or whoever it may be.

(The witness was excused.)

The witness, Mr. William T. Carpenter, was duly sworn by the chairman.

TESTIMONY OF MR. WILLIAM T. CARPENTER, OF WASHINGTON, D. C.

Mr. TOWNER. You are the representative in Washington of the General Fireproofing Co., of Youngstown, Ohio.

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. This company manufactures all-steel desks, tables, sectional units, filing cases, etc., do they not?

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. Were you a bidder before the Post Office Department in this contest that has been referred to by the other witness here?

Mr. CARPENTER. Yes, sir; my company bid on that proposal.

Mr. TOWNER. You were not a bidder on the 75 horizontal units, being a proposal for part steel and part wood construction?

Mr. CARPENTER. No, sir; we only bid on the alternate or steel end of the proposal.

Mr. TOWNER. You filed a bid for this in connection with other dealers in all-steel material, did you not?

Mr. CARPENTER. Yes, sir; I believe there were three or four or five others that bid on the steel end of it—possibly more.

Mr. TOWNER. I find that the Art Metal Construction Co. submitted a bid on sections, \$19; bases, \$7; and tops, \$6; and that the Globe-Wernicke Co. submitted an all-steel bid on sections, \$22; bases, \$7.50; and tops, \$6.50; and that the General Fireproofing Co. submitted bids for oak-finish sections, \$15.50; bases, \$6.80; and for tops, \$4; and that the Canton Art Metal Co. made an all-steel bid of sections, \$13.95; bases, \$3; and tops, \$2. I wish you would state how these prices compare with the prices that are charged by first-class makers of all-wood constructions of the same order.

Mr. CARPENTER. I think you will find that these prices would compare very favorably—that is, the steel prices with the better grades of woods.

Mr. TOWNER. I find that Fred S. Lincoln submitted a bid for wood construction on sections, \$17.65; bases, \$3.90; and tops, \$5.10; that the Globe-Wernicke Co. submitted a bid on wood and steel construction for sections, \$18.50; for bases, \$6; and for tops, \$6.50. I notice that these prices are between the highest prices charged by the steel bidders and the lowest prices charged by the steel bidders. Am I correct in that?

Mr. CARPENTER. That is true so far as the actual price of sections is concerned, but the matter of quality and filing capacity should be taken into consideration.

Mr. TOWNER. I am going to ask you about that separately.

Mr. CARPENTER. I will say that I believe the prices correct that you have named.

Mr. TOWNER. Then there is no distinct range of high prices for all-metal construction over the prices for either all-wood construction or part-wood construction?

Mr. CARPENTER. I would say that the better grades of filing cases in steel compare favorably with the better grades of filing cabinets in wood, and that the cheaper grades in steel will compare favorably with the cheaper grades in wood. I can cite you an instance on that, if you care to have it.

Mr. TOWNER. I wish you would do that.

Mr. CARPENTER. Just recently the State Department put out a proposal calling for certain four-drawer cap-size verticals in wood, and four-drawer cap-size verticals in steel; that is, they wanted some in wood and some in steel. Now, I have all these prices here that were put in on this proposal, and I think you will find that the steel prices compare very favorably with the wood prices. Of course, it is true that the wood people make what they call commercial grades in wood, whereas the steel people, as a rule, only make one grade, which is not really as high a grade line as we make in our line. The wood people sometimes make as high as three different grades. I have these prices here, if you would like to see them.

Mr. TOWNER. Please read the statement of the prices to the committee, so they may have them orally, and then the statement may be put in the record.

Mr. CARPENTER. The following are the prices received on bids which were recently opened by the State Department on wood and steel four-drawer cap-size filing cases—

Mr. TOWNER. These are the actual bids?

Mr. CARPENTER. These are the actual prices.

Mr. TOWNER. To the State Department?

Mr. CARPENTER. Yes, sir; to the State Department, for the use of the Consular Bureau in the State Department. These goods were to go all over the world, and to be shipped from the factory to the various consular stations. These were for four-drawer, cap-size, vertical uprights, all-wood goods. The Globe-Wernicke Co., \$32, and I believe they had an alternate bid on the commercial grade.

Mr. TOWNER. You are giving the prices on the same classes throughout?

Mr. CARPENTER. Yes, sir. The following are the prices:

Wood bids.

Moses & Son.....	\$23. 57
Library Bureau.....	31. 50
Globe-Wernicke Co.....	32. 00
Minnex	34. 40
Yawman & Erbe Co.....	40. 00
Shaw-Walker Co.....	24. 25

Steel bids.

Moses & Son.....	27. 40
Library Bureau.....	41. 50
O. M. Edwards Co.....	38. 35
Minnex (for Marletta Safe Cabinet Co.).....	28. 80
Shaw-Walker Co. (for Begger Manufacturing Co.).....	27. 60
General Fireproofing Co.....	30. 00
Art Metal Construction Co.....	37. 00

I think you will find these prices pretty nearly in line with the other prices—that is, the better grades of steel compare favorably with the better grades of wood.

Mr. TOWNER. If I am correct in the figures, the lowest wood bid was \$23.21 and the highest was \$40?

Mr. CARPENTER. That is correct.

Mr. TOWNER. The lowest steel bid was \$27.40 and the highest \$41.50?

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. Now, that would probably indicate the range of prices, would it not?

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. There is quite a difference between the lowest price in the wood bids and the highest, and also quite a difference between the lowest price in the all-steel bids and the highest. Is there any way in which you could explain to the committee why such a range occurs between \$27 and \$41, as indicated by these prices; that is, the difference between Moses & Son and the Library Bureau, for instance, on all steel?

Mr. CARPENTER. Do you mean the \$27.40, and that the lowest bid was \$23.57?

Mr. TOWNER. No, sir. What is the explanation, if you can make it, between the Moses bid on all-steel construction, which is \$27.40, and the Library Bureau bid of \$41.50? Why should there be so large a range in price?

Mr. CARPENTER. The factory cost and the matter of construction would enter into that very largely. I presume some of them have a heavier grade of steel work in the construction, and this means a considerable addition to the cost.

Mr. TOWNER. And some of them have perhaps a more expensive finish?

Mr. CARPENTER. Yes, sir; more expensive devices and more expensive finish, and the construction would cost considerably more from the factory standpoint.

Mr. TOWNER. What would you say as to the difference in cost, for instance, so far as construction is concerned? I am not trying to get any evidence in the record in favor of any individual company, but I am trying to get such facts as would assist the committee in getting information as to the real relative merits, or, rather, the basis upon which the relative merits can be judged.

Mr. CARPENTER. I believe that steel filing cases can be manufactured as cheaply as wooden filing cases—that is, a good grade of wood and a good grade of steel. The steel cases can be manufactured as cheaply as the wooden cases. In fact, after the dies are made, most of the initial expense is met.

Mr. REDFIELD. What company do you represent?

Mr. CARPENTER. The General Fireproofing Co., of Youngstown, Ohio.

Mr. TOWNER. Something has been said about the economy of space that can be effected by the use of all-steel construction. Can you illustrate that to the committee?

Mr. CARPENTER. Do you mean floor space?

Mr. TOWNER. Yes, sir.

Mr. CARPENTER. Then I will say, in a general way, that I would think that steel filing cases would save considerably in floor space

over wooden filing cases; that is, they take up less space to hold a certain sized paper; it is 10 per cent, approximately.

Mr. REDFIELD. That arises out of the difference in the thickness and size of the partition?

Mr. CARPENTER. Yes, sir. Perhaps a piece of steel one-eighth or one-fourth of an inch thick, properly formed, would be as strong as a piece of wood 1 inch thick.

Mr. TOWNER. Take this bid as an example: The 75 horizontal units of 3 drawers make a total of 225 drawers?

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. And the 108 units of 2 drawers make 216 drawers?

Mr. CARPENTER. Yes, sir.

Mr. TOWNER. Now, what would be the comparison in floor space as between these units?

Mr. CARPENTER. Well, you must have the front and back—that is, in depth—I presume?

Mr. TOWNER. Any way.

Mr. CARPENTER. You are speaking of the filing capacity of the cases?

Mr. TOWNER. Yes, sir.

Mr. CARPENTER. Well, you take the 75 horizontal wood cases that this proposal calls for and that would give 225 drawers. According to the catalogue on the Globe-Wernicke Co.'s stock goods the inside capacity is $20\frac{1}{4}$ inches, and the 225 drawers in the 75 sections would give them a net filing capacity of $4,668\frac{3}{4}$ inches. Now, in the bid we made on these 108 units of two drawers, or 216 drawers in all, we have $23\frac{3}{4}$ filing inches to the drawer. As I have said the proposal calls for 108 sections, or 216 drawers, which would give us 5,130 inches of actual filing capacity, so that the department would be buying nine less steel drawers and would be getting $461\frac{1}{4}$ more filing inches. I believe the Yawman & Erbe Co. and the Shaw-Walker Co. have a little more inside filing capacity than the Globe-Wernicke Co. has. The Shaw-Walker Co.'s case has 26 inches outside measurement, giving 24 inches inside measurement, and the Yawman & Erbe case has $22\frac{1}{4}$ inches inside measurement and 25 inches outside measurement. The Globe-Wernicke case has $20\frac{1}{4}$ inches. Theirs is all-wood construction, and I understand they have not gotten anything in this new line.

Mr. REDFIELD. Then, it is your intention to give the committee to understand, as a result of your experience and knowledge of the business, that, unit for unit, the Globe-Wernicke standard filing drawer has less filing capacity than that of the other companies you have mentioned?

Mr. CARPENTER. Taking their catalogue measurements, I believe that is true.

Mr. TOWNER. It was stated by Mr. Weed, upon examination, that the all-steel filing cases were very expensive, and for that reason the department was considering the purchase of part wood and part steel devices. I would like to have you state to the committee as to whether, upon any basis that you can figure on, there would be any economy in the purchase of wood or all-steel devices, that is, so far as economy is concerned?

Mr. CARPENTER. I think there would be economy in the use of the *all-steel* device; I think it would take up less floor space, and I think

it would give added protection against climatic conditions. I think the equipment would wear longer and better; it is mice proof, vermin proof, and fire retardent.

Mr. TOWNER. I wish you would state to the committee all of the things that you can say in favor of the all-steel construction cases, and then, I hope, Mr. Chairman, that you will call all those other people to the stand and have them to say the same thing with regard to the all-wood constructions.

Mr. CARPENTER. I believe I made all my points in the last statement; that is, that the steel filing cases were more weather proof; they are fire retardent and fireproof in certain instances. They are just as much more fireproof over wood as wood would be over paper. They are vermin proof and mice proof. Mice can not get into them; they save floor space, and will do all the work that a wood case will. From the standpoint of metal equipment, we can give the various commercial houses and departments almost anything they want in filing equipment, from a pigeonhole to a vertical filing cabinet. I think we have in our line now something over 125 different pieces or sections. We can match any finish, if it is interior, with the work; we can match any finish in wood.

Mr. ALEXANDER. I understand that the inquiry was as to the relative merits of the two constructions in reference to fireproof qualities.

Mr. CARPENTER. I would say you could get more finish in a steel case than you could get in a wood case. You could get in a steel case olive green, which harmonizes well with any color, but we carry other finishes, oak, mahogany, and 22 other finishes.

Mr. TOWNER. I would hardly venture to suggest an additional argument to your representation of the matter, but I want to call this matter up, and see whether there is anything in it or not, because we are looking at this matter from the governmental standpoint almost exclusively. It is the object and purpose of the Government, as nearly as they can, to secure for the use of the departments and the offices fireproof buildings, so that the danger from a general conflagration will be eliminated as far as possible. Now, in order that the danger that the files would be exposed to, either in a distinctive repository or in the files that it may be necessary to keep in direct connection with the administrative offices of the Government, should be reduced to the minimum, at least, in what might be called interior fires, what do you say as to the comparative merits of all steel or all wood or part wood construction, having that situation in view?

Mr. CARPENTER. It looks to me like a sort of folly to put up a fireproof building and then fill it with inflammable material. A large percentage of the fires are interior fires, so that steel furniture would be more valuable in a fireproof building than in one that is not fireproof. Take this room, for instance, if all the furniture in here is steel, there is nothing to burn; that is, if it is a fireproof building, and I think it is.

Mr. ALEXANDER. Suppose this table is of steel and that case of steel and fire should originate in combustible matter in the case or on the floor. Do you think the fact that this table was of steel would give it any advantage over a wooden table in that respect?

Mr. CARPENTER. Yes, indeed. The rugs might burn and these papers might burn up, but the balance of the furniture would not be affected.

Mr. ALEXANDER. That would depend on the heat.

Mr. CARPENTER. Of course, if the room was full of inflammable material, but I do not think it would affect to the same extent the records inside of the filing cases or desks.

Mr. TOWNER. You are prepared to say on behalf of your own company and of the other all-steel companies, that with regard to the comparative prices on the same products, the filing cases of the all-metal companies can compete on equal terms with those of all-wood construction?

Mr. CARPENTER. Of course I do not want to speak for other companies in this matter, but I know, so far as we are concerned, that we are in a position to compete with wood filing cases. The prices published in most of the catalogues are retail selling prices, but if you will go through the list, item by item, you will find that our lines compete right along, and if you want any further additional proof of this fact, I will call attention to the bid put in five months ago by us with the Supervising Architect's Office, and I think you will find that our prices are even lower than the majority of wood bids.

Mr. ALEXANDER. Is it the purpose of the committee to go into this question of the comparative merits of these devices with a view to making a recommendation? If not, it does not seem to me that we should waste any time on this inquiry. We started out simply, as I thought, to force open competition as between the makers of these different devices, so that they might all have a square deal in making their proposals, and then leave it to the department to select the device they think is best. I do not know that we should spend any time in exploiting the merits of these different devices. Our complaint has been that in the specifications and proposals all of the devices except one, that of the Globe-Wernicke Co., were excluded. What we want is open competition.

The CHAIRMAN. I would say to the members of the committee that it is quite probable that the evidence of this witness has no particular bearing upon the case that we are now investigating, but Judge Towner and myself are both members of the Committee on Public Buildings and Grounds, and Judge Towner was anxious at this time to introduce evidence showing that metal furniture was no more expensive than wood furniture, and other evidence along that line. Not so much for the benefit of this committee, but for the benefit of the other committee he asked that he be allowed to examine witnesses along that line, and I gave him permission to do so.

Mr. REDFIELD. I would like to ask a question along that line. You have not touched upon one point, Mr. Carpenter, in which I have had some experience, and that is as to the effect of moisture upon filing cabinets. Is it a fact that the metal construction is more or less moisture proof than the wood construction?

Mr. CARPENTER. It is more moisture proof; that is, it is more weather proof.

Mr. REDFIELD. Now, then, if I understand the method of your manufacture, you take sheet metal and form it with dies, so that you avoid the making of any seams?

Mr. CARPENTER. Yes, sir.

Mr. REDFIELD. And all joints at the angles, where the paper is folded; for example, you can form a rectangular box without seams or breaks at the corners. You consider that an important element?

Mr. CARPENTER. Yes, sir.

Mr. MCCOY. Do you weld the heads on?

Mr. CARPENTER. Yes, sir.

Mr. REDFIELD. Then it is possible for you to form them without seams?

Mr. CARPENTER. Yes, sir; we do that in all our construction.

Mr. ALEXANDER. In my opinion, as a matter of justice to the other people who manufacture these devices, they should be permitted now, if they wish, to come before the committee and set forth the merits of their several devices; otherwise, this gentleman would have the privilege of sending out under a Government frank a statement regarding his particular goods.

Mr. MCCOY. In the case of a fire which has gained considerable headway, in a room in which there are metal and wood cases, the contents of which have not at the particular moment been injured in any way, would it be easier to remove the heat from a metal case by a flow of water on it than to remove the heat from a wooden case by a flow of water? Would it be easier to remove the heat from a metal case or a wooden case?

Mr. CARPENTER. I think it would be easier to remove it from a metal case. I think it would cool off very quickly when water was turned on it.

Mr. MCCOY. Do you think it would be easier to get heat out of it by the application of water?

Mr. CARPENTER. It strikes me that way, because the heat would have been sinking into the wood, but I do not know.

Mr. MCCOY. How thick are the walls or outer parts of your device?

Mr. CARPENTER. We use a double wall outside of our cases. In our cases we have about $\frac{1}{2}$ -inch air chamber at each end and double heads in front. The outer walls of the case would get right hot, perhaps, but the inner wall would not get hot enough to ignite the papers in the case. That has been demonstrated time and again.

Mr. MCCOY. Does heat travel through metal quicker than it travels through wood?

Mr. CARPENTER. No, sir; I do not think it does. I heard some of the gentlemen on the stand yesterday say that they thought the metal conducted heat more quickly; and one of them seemed to think that by putting a metal interior inside of the sections that would draw the heat through. If this is the case, it seems to me that they ought to take out all metal equipment inside of the drawer. These wooden drawers all have some metal in them, such as the screws, slides, etc.

Mr. MCCOY. Is it true that metal is a better conductor of heat than wood?

Mr. CARPENTER. That is probably true; but we give ample protection by putting in a double wall and a double head.

Mr. MCCOY. Are you familiar with mill construction?

Mr. CARPENTER. No, sir; I can not say that I am.

(The witness was excused.)

TESTIMONY OF MR. C. W. NORTON—Recalled.

Mr. McCoy. Mr. Norton, state to the committee what, in your opinion, are the comparative merits of wood office furniture and steel office furniture, from any and every point of view.

Mr. Norton. I think I ought to be able to speak from the viewpoint of the handling of all-metal and cabinet construction, inasmuch as I am selling both products, and I therefore ought to view them from rather an impartial mind on both sides.

Mr. McCoy. In the first place, state your experience with both kinds of construction the articles made and the materials.

Mr. Norton. I have been connected for seven years with a house manufacturing purely cabinet construction.

Mr. McCoy. Meaning thereby wood construction?

Mr. Norton. Wood construction, in oak and mahogany; and have within the last year been very familiar with the metal construction, because of the fact that locally—in Washington—we have taken a line which is constructed for our selling here made entirely of metal.

With reference to the points which Mr. McCoy has asked me to bring out, I made a few notes at the time Mr. Carpenter was giving his testimony which I feel should be brought before the committee in rebuttal. Mr. Carpenter made the statement that metal cases, first of all, are fireproof. It is a matter of very ready knowledge that metal will not burn. I think that the phrase "fireproof" has an unfortunate use, inasmuch as it is generally conceded that they are not heatproof. The construction of metal filing cases differs little from that of the ordinary oven. An ordinary oven is made in the same manner as the walls in metal cases are made. It is made of two layers of thin steel, under which the flame is placed, and I venture to say that the 3-inch air chamber is no more than in an oven, and is placed there for the purpose of preventing the too rapid transmission of heat into the oven to bake the contents.

Mr. McCoy. That is, you say that in an ordinary baking oven there are these two sheets of metal with an air space between them?

Mr. Norton. I believe you will find that so, from the fact that if flame were directly applied under a piece of metal, and the test could be readily continued over a flame, and any substance placed on top of that metal it would burn to a crisp in a minute if the flame were intense enough. It must be retarded somewhat. If I recall correctly, the exterior walls of metal filing cases are made of No. 13 grade steel, the interior walls are made of No. 16 grade steel, and it is very thin metal. A safe in which records are properly guarded, or a vault, is made of walls so thick, and not only of concrete but of solid metal, that it takes a very heavy conflagration to penetrate the walls. To my mind that is the only way in which to safeguard any documents whatsoever. It has been proved in many instances by testimony that has been shown up in experiences in commercial houses, that a heat intense enough to burn through the interior of a hard oak case will have caused combustion to have stayed in the interior of a metal case on account of the metal retaining the heat on the inside acting as an oven. I think it is a matter of ready knowledge that an oak case transmits no heat whatever to the interior; that a fire must be extremely severe in any inclosed room before the flame will burn through the hard oak and incinerate the contents.

I am talking about the oak fronts of cases, and not veneer, for the reason that it is a very easy matter to safeguard that by the use of solid tops on top and asbestos or hard panels on the side. It is not a question of paneling, but a question of the use of oak against metal.

Mr. McCoy. You mean to say that in a superheated room containing oak furniture and metal furniture filing cases, whatever you please, having contents of paper, without the flame striking the metal case it will heat it so as to incinerate the contents; whereas the same degree of heat striking an oak case will not incinerate the contents, but it takes the direct application of flame to do it?

Mr. NORTON. Yes, sir; that is a correct statement.

Mr. SLEMP. Are you considering in this the contribution the oak itself would make to help create the flame?

Mr. NORTON. I am not considering this, Mr. Slemp, that in a room as it is ordinarily furnished, it is impossible to-day to equip it in a thoroughly fireproof manner. If a metal filing case is placed in a room, if your tables and your chairs are oak or mahogany, if your floor coverings are not of asbestos, your window hangings are not of some fireproof material, you have the same condition as exists in the oven; you have the application of the flame through this other material against the case.

Mr. SLEMP. Just take the case of an ordinary filing case of oak and a waste-paper basket by the side of it, and a fellow dropping a cigar or a cigarette—which is frequently the cause of a fire—in the waste-basket; the paper catches fire and that ignites the case; whereas, if it were steel, it would not.

Mr. NORTON. I think you never could prove by a physical test that a waste-paper basket near a hard oak front of a filing case could ever ignite it.

Mr. SLEMP. I used that waste-paper basket only as an illustration. The contribution of the wood itself, which is seasoned, might burn the case up; whereas, if it were steel, the contribution might be lacking and there might not be sufficient to generate the heat that would burn the contents on the interior. I just suggest that as an inquiry.

Mr. NORTON. It has been proved in many tests, and especially in commercial houses, and in very important tests at certain railroad terminals, that in severe cases oak has charred very heavily on the outside without the varnish on the inside even being touched by the flame. It is extremely difficult to burn through the best grade of quartered white oak; it offers a very great retarding to flame. There have been cases that can be cited, testimony that can be offered from concerns who have used both metal and oak, and the ordinary normal office fire has occurred. The contents in the metal cases have been destroyed; the oak cases have been badly charred, but it has been a fact that before the fire had entirely gutted the office so as to reduce everything—in other words, become a conflagration or a burning of the building—in the application of a hose it has always been found that the drawers are more rigid when the water has been applied to the exterior of the oak case, for the reason that it tends to swell the drawers; when, the instant the water touches a metal file, it buckles and twists entirely out of shape, and for that reason I think you will find that there are many architects who are of the opinion that all buildings heavily girded with beams

should, instead of having metal beams, have heavy oak, for the reason that when the water is applied the metal girders will either twist so as to cause a sinking of the floors, or bend entirely out of shape, but it is practically impossible to burn through hard oak.

Mr. McCoy. That was practically the situation in San Francisco during the big fire, where those stores and buildings erected with heavy oak beams and cement remained standing, while those in which steel girders had been used collapsed.

Mr. NORTON. There was an experience like that in New Jersey which has been called to my attention.

Mr. McCoy. That was the experience out there, according to the photographs we saw.

Mr. ALEXANDER. I remember seeing that.

Mr. McCoy. Let me ask you this question: Have you any knowledge, or have you any reliable information, to show that in cases where the flame has not actually reached a room in which there are metal filing cases, nevertheless the heat from the fire has been so intense as to destroy the contents of the metal filing case?

Mr. NORTON. You mean without any heat in the room?

Mr. McCoy. No; without any direct contact with the flame.

Mr. NORTON. I could not say as to that. My experience and testimonials have all been as to rooms where the flame has entered into the room and where it has been brought in contact with the two files in question.

Mr. McCoy. Now, go ahead with your statement.

Mr. NORTON. I might add just one word in passing on the matter of the claim of all-metal manufacturers that there are many concerns in the business which do not make any claim whatsoever that metal filing cases are fireproof—rather, I mean heatproof—and in their literature especially state that that is not the case.

Mr. McCoy. They do that for their own protection.

Mr. REDFIELD. I understood the word used by the gentleman before us was "fire retarding."

Mr. NORTON. I think we should distinguish between fire retarding and heat retarding.

The CHAIRMAN. Mr. Norton, did you see that exhibit some time ago by some concerns on the Senate office lot?

Mr. NORTON. Yes, sir; I witnessed the so-called test.

The CHAIRMAN. Did it not occur to you that that was a satisfactory test?

Mr. NORTON. It satisfied my mind thoroughly that metal filing cases will destroy their contents, from the fact that that metal file, which was placed in a position where the greatest heat was, together with an oak file, when withdrawn from the building had entirely destroyed its contents. I myself was present when the drawer was opened, and the material, which had been placed in a packet, was reduced to ashes. When the case was brought out the interior was flaming. It was very unfortunate in this way, that the other cases were so placed as to have the advantage of the wind carrying the heat and the flames away from them. In fact, the enamel on some of the drawers, wherein the contents were exhibited as having been saved from flames, was not even scorched off; and in another case, where the contents were taken out and widely distributed, the edges being scorched, the case was protected by a roll-front curtain, and was not

a sectional filing case at all; and I think Mr. Redfield, as a manufacturer, will bear me out that it is impossible to put roll-front curtains on any sectional devices. They must be built into the construction, and the curtains placed in afterwards. It is therefore impracticable, in sectional filing devices, to put on that sort of a front. It is a matter of conjecture how much longer before the hose was applied on the building even that case with the roll front could have withstood the heat—the constant retention of the heat on the inside from the flame on the outside—and combustion set in. That is a matter which only a physical test could determine. The test, however, satisfied my mind on the one point: That metal filing cases do not safeguard their contents better than oak. When the oak case in question was taken out it is true the panels were burned, for the case was covered with crude oil; in fact, there was a whole tub of oil placed all over the walls of the building; scantling was put in in cross pieces in between the files, and it was packed with excelsior; and I venture to say that was not a fair test. The panels were necessarily covered with oil and dropping with it, and the oil ignited on the panels, and, furthermore, the water from the hose burst them through. But I do want to state this: That the oak fronts on the filing cases were not burned through; they were charred on the outside; the framing was intact, the fronts were intact, and the varnish was perfect on the inside of the case. It proves that hard oak made in the fronts of filing cases will resist a greater fire than metal.

Mr. McCoy. In other words, you do not know of any oil test to which office furniture is likely to be put, in ordinary practice?

Mr. NORTON. I would not, sir. There are just a few other points I wish to bring before the committee as to metal filing cases, and one is the lack of durability. In the lack of durability I want to bring out the fact that metal filing cases are treated to an enamel finish. Enamel is placed on the file by baking on the steel. Within no time at all—and it has been my experience in handling them—the enamel on the cases scratches and sloughs off; it can never be replaced on a metal file unless it is shipped back to a factory and rebaked. In an oak case, varnish is used, and in the best grades of construction five coats of that varnish rubbed in until it becomes a component part of the wood, into the fiber of the wood, in such a way that it can not be removed from the file by an abrasion or scarring or the general wear and tear of the file, but what a cabinet man can, within a very short time, place the file right in its former condition.

Another point is that the metal on the sides of filing cases constructed in stock sections is of such thin gauge material that a slight blow will dent it. Bear in mind that metal filing cases are made with double walls; that is, in order to get at the indentation on the inside of the wall the case must be ripped apart; and it is welded. In other words, a dented case can never be repaired. Within the last week I have sold two cases, both of which came in dented by the railroad company. They are expensive cases; they never can be repaired unless they are sent back to the manufactory. An oak case can be scarred, a dent can be placed in it, a gash can be put in it, and a cabinet man, inside of a few moments of time, can put it back right in its former condition.

As to the lack of stability, there are concerns manufacturing metal filing cases that will never build them in horizontal sections, but only

in upright sections, at a height of 51½ inches. A horizontal section, if it is piled too high—and floor space is always valuable in an office—the superimposed weight of the sections above will sag the sections below. There are manufacturers making metal filing cases of three drawers of letter size and of two drawers. It is necessary to put in stronger bases underneath the three drawers than the two drawers. But I myself have witnessed horizontal sections of two drawers in which the bottom section sagged, preventing a proper operation of the drawers. The manufacturers of metal filing devices have, in the past number of years, made most of their installations in what we term “built-in” construction. Girders have been placed into the walls, and the metal has been riveted onto these girders, and the wall supports the case, from the fact that the metal, if it were weighted down onto its own substance below, would sag the sections. In other words, there is not the strength and the durability to metal sectional devices that there is to good, well-made cabinet construction, where there are thick styles, as we call them, upright pieces, thick rails, dovetailed construction, set in glue, and not riveted, and properly reenforced with angle blocks, and so constructed that you could take, for example in my own line, a stack of horizontal sections which are made, bear in mind, very wide, 42 inches, and you could stack them up as high as, practically, the top of this ceiling without any danger whatsoever of sagging on the bottom sections; and those are in use in the departments to-day. If the same thing were attempted with metal sectional furniture it would be a failure.

There are other points in connection with this that I want to bring out very briefly. Metal filing cases are noisy in their operation and are extremely dusty. You could not guard metal, constructed in the way it is, and prevent the files becoming dusty.

Mr. McCoy. You mean inside?

Mr. NORTON. On the inside. One of the great advantages in using filing cases is in getting dust-proof construction, which can always be done better with wood than with metal cases. The fitting with wood cases can always be better made than with metal cases where the latter are made out of plates, die stamped, and not fitted to the frames of the case.

Mr. ALEXANDER. Right at that point, in metal construction, where the walls are so thin, is it possible to make them as close and tight and dust proof as you can with wood?

Mr. NORTON. No, sir; for the reason that with the wood the edge of the wood can be trimmed down to meet the upper piece, and can be so regulated as to give not only a perfect fit but to dust proof the case. Another point is that metal is extremely hard on the hands and on the clothing and difficult to work around. It is unsatisfactory. It has never met a success in the commercial world.

Mr. McCoy. You mean you have heard complaints about it from those who have to use it in commercial establishments?

Mr. NORTON. I do. I know of offices in which metal has been rejected after having been placed in use and cabinet construction replacing it.

Mr. SLEMP. On the contrary, is it not a fact that the oak devices are being replaced by all-metal devices?

Mr. NORTON. There are probably instances of such, Mr. Slemp. But we must remember that the metal proposition is somewhat of a

novelty and has never undergone a fair and real test along the lines I have suggested, and I feel sure that if it were placed to such a test under normal conditions you would find no greater advantages in the one than you would in the other for the mere purposes of filing.

Mr. SLEMP. Unless it involved the amount of space. I suppose you could get your metal filing device in a little smaller compass or space than the others.

Mr. NORTON. I think you would not want to sacrifice stability of construction to a matter of space.

Mr. SLEMP. I did not mean that you would want to do that; but limiting yourself to that one question, as to whether you could put a metal filing device in a smaller space than you could the other.

Mr. NORTON. I hardly think so, Mr. Slemp, for this reason, that they are obliged to put a double steel construction on the exterior of the case.

Mr. SLEMP. Then they do occupy as much space, you think, as oak devices?

Mr. NORTON. I think, when you figure the number of drawers as they are setting in, and the fact that the suspension slides on each side occupy about the same space, you can find relatively little difference in the matter of space.

Mr. SLEMP. The walls are not so thick?

Mr. NORTON. The walls, if doubled, are as thick as oak walls, which do not have to be made double.

Mr. SLEMP. The spacing is about the same?

Mr. NORTON. I think so; yes, sir. It is true, the sheets of metal making the walls are not as thick, but an air chamber is used between the two. Continuing the one point I brought up, it is to be said that the manufacturers of metal filing devices have been in the business about as long a time as the inception of modern methods of files—that is, vertical filing and card indexing—and they have never been able to combat the extensive business which has been done by the wood manufacturers—I am speaking about commercial use—and there has never been any aggressive competition felt from metal manufacturers when the prospective buyer consistently goes into the claims of both the manufacturerers.

Mr. SLEMP. I imagine that same statement would be used with the contrary effect by those gentlemen who present to the public the all-metal devices.

Mr. ALEXANDER. We are hearing his side of it.

Mr. MCCOY. I understand that your firm, or corporation, is prepared to bid on steel devices?

Mr. NORTON. On either one; yes, sir.

Mr. MCCOY. So, even if a man preferred a steel device, you could give it to him?

Mr. NORTON. We would sell it to him; yes, sir.

Mr. SLEMP. Do you carry it in stock?

Mr. NORTON. We do. We carry a line of samples here, and we sell direct from our factory stock.

Mr. SLEMP. In your commercial experience what percentage of filing devices is sold of all steel and what percentage is sold all wood? Just give a rough estimate of that.

Mr. NORTON. I am not familiar with the general amount of business done by us in metal, except in Washington.

Mr. SLEMP. Give it to us as to Washington.

Mr. NORTON. In Washington we have only handled a line of metal here within the last few months, so I could not give you a very definite statement as to that. However, I might add that there have been very few demands made on us to bid on metal material; that there are departments which have considered the adoption of metal cases, but after a thorough consideration of the claims made by the manufacturers of metal filing devices have rejected that idea and brought out their specifications for oak cabinets. I recall especially one man vitally interested in the matter who witnessed the exhibit up here.

Mr. McCoy. At the Senate?

Mr. NORTON. At the Senate Office Building. His conviction was identical with my own, and he at that time was in the market for some \$1,200 worth of filing devices, and we were given the order for the oak cases.

Mr. McCoy. They did not have any other oak cases already established in the building?

Mr. NORTON. Yes, sir; they have oak cases established, but this was the creation of a new bureau, wherein they could have used either metal or oak.

Mr. McCoy. I want to clear my mind a little bit about some testimony given by the gentleman who protested against the action of the Treasury Department, and I might say also the Post Office Department, in regard to filing devices. This referred to the general criticism offered by yourself and the gentleman representing the Library Bureau. Is the criticism directed principally to the action of Mr. Stevens, the furniture expert of the Treasury?

Mr. NORTON. Yes, sir.

Mr. McCoy. You consider that, in relation, say, to the Post Office Department, his influence is pretty strong down there, as well as in other Departments, in favor of adopting the goods of the Globe-Wernicke Co.? I really am trying to get at the bottom of that.

Mr. NORTON. Before answering may I just present this to the committee: I had been asked to submit certain data by the committee; in fact, that was the purpose for which I was asked to appear this morning; and it has occurred to me as advisable, and perhaps would be more beneficial to the committee, for the attorney who represents these mutual interests to be asked to appear. As has been stated by the other gentlemen representing these other concerns, it is a matter in which the attorney is acting mutually, and inasmuch as the data is in his hands and would be more complete than what I would have to offer, I would be willing to give the name of our attorney to the chairman of this committee, if he preferred to confer with him, rather than putting these questions to me direct.

Mr. McCoy. I have no objection to that.

The CHAIRMAN. You have, however, a copy of your contract with the Treasury Department, and certain correspondence that was called for here, to put in the record, have you?

Mr. NORTON. I have the originals here. As I say, this matter has been placed in the hands of our attorney, and it would be necessary for him to retain the originals of these, as you can readily see.

The CHAIRMAN. You have copies?

Mr. NORTON. I have not copies made; I have not time in which to *em* made.

Mr. SLEMP. Of course this committee, as I understand it, Mr. Chairman, is only going into the expenditures at the Post Office Department, and has nothing to do with the action of Mr. Stevens or anybody else in selecting furniture with reference to any other department.

Mr. NORTON. And for that reason I felt if you wished to make inquiry along that source as to any undue pressure put upon the post-office officials through the parties referred to, the attorney would be able to present that to you.

The CHAIRMAN. Will you give us the name of the attorney and his address?

Mr. NORTON. I will be glad to give you the name. I will write it out here so that you can have it.

The CHAIRMAN. Just give his name for the record.

Mr. NORTON. Wilton J. Lambert is the attorney.

The CHAIRMAN. Of this city?

Mr. NORTON. Yes, sir.

(Thereupon, at 12.40 o'clock p. m., a recess was taken until 2 o'clock p. m.)

AFTER RECESS.

The committee met pursuant to the taking of recess.

The CHAIRMAN. The committee will be in order. We will hear Mr. Naulty.

TESTIMONY OF E. F. NAULTY—Continued.

The CHAIRMAN. Mr. Naulty, when you were last before this committee on the 19th you were asked to prepare and present to this committee such communications and other matter as you desired to go into the record. Have you those papers ready?

Mr. NAULTY. Yes, sir; Mr. Chairman, with the possible exception of some transcripts from the Patent Office which it will take some little time to prepare, and which I can if you so desire submit later; they are not yet ready.

The CHAIRMAN. You have the papers there?

Mr. NAULTY. Yes, sir.

The CHAIRMAN. If you have any explanations to make relative to these papers we will be glad to have them.

Mr. NAULTY. The first of these papers, Mr. Chairman and gentlemen, is a communication from the office of the Postmaster General, dated February 13, 1909, and signed by Postmaster General Meyer. To save the time of the committee may I just file the letter?

The CHAIRMAN. You may.

Mr. NAULTY. This letter is addressed to me, in New York, and concludes as follows:

If he decides that the arrangement you suggest will safeguard the Government's interest to the same extent as bonds, the regulation will be amended accordingly.

That refers to a proposed agreement which I submitted to the Postmaster General suggesting that this entire question should be settled by a mutual agreement between the various competing manufacturers not to sue the United States Post Office Department for any alleged

infringement of any patents, whether they were clear or interwoven, no matter what the state of them was; that they might mutually agree among themselves to settle the question of patent priority entirely outside of the department, and not in any way hold the department responsible. That is what this particular section refers to. That suggestion was never adopted.

(The letter referred to is in the words and figures following, to wit:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., February 13, 1909.

MR. EDWIN FAIRFAX NAULTY,

150 Fifth Avenue, New York, N. Y.

SIR: I beg leave to acknowledge the receipt of your letter of the 10th instant relative to several points at issue between your company and the department with reference to mailing chutes.

The only material question raised appears to be whether makers of chutes should be required to give bonds in order that the Government may be protected against claims for infringement of patents. The Assistant Attorney General for the department has held that such bonds are necessary for the purpose stated, and until he expresses a contrary opinion the present policy must be followed. Your communication will be referred to the department's legal adviser for consideration. If he decides that the arrangement you suggest will safeguard the Government's interests to the same extent as bonds, the regulation will be amended accordingly.

Respectfully,

G. V. L. MEYER,
Postmaster General.

MR. NAULTY (continuing). On July 9, from the office of the First Assistant Postmaster General, I received a letter, which is herewith filed. I merely desire to call the attention of the committee to this phrase:

that the department will not consent to the placing in commission of chutes of your manufacture except on condition that the bond sent you on April 6, 1907, is executed and filed. If your company is unable or unwilling to comply with the requirements in this respect the department can do nothing to relieve the present situation.

That is the definite and absolute announcement at that time that the department insisted on my filing this bond.

MR. ALEXANDER. That was the bond for \$5,000?

MR. NAULTY. Yes; because it was on April 6 that the bond was reduced, after protest, from \$25,000 to \$5,000.

(The letter referred to is in the words and figures following, to wit:)

POST OFFICE DEPARTMENT,
OFFICE OF FIRST ASSISTANT POSTMASTER GENERAL,
Washington, July 9, 1907.

THE FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,

150 Fifth Avenue, New York, N. Y.

GENTLEMEN: In answer to your letters of the 2d and 3d instant, which the Postmaster General has referred to me, you are again informed that the department will not consent to the placing in commission of chutes of your manufacture except on condition that the bond sent you on April 6, 1907, is executed and filed. If your company is unable or unwilling to comply with the requirements in this respect the department can do nothing to relieve the present situation.

Respectfully,

F. H. HITCHCOCK,
First Assistant Postmaster General.

MR. NAULTY (continuing). The Henry J. Spiker Co., general contractors, at Toledo, Ohio, for whom we erected the chutes in the Ohio Savings & Trust Co. bank building in Toledo, wrote us on

July 3, 1907, a letter which I desire to file, and I wish to call the attention of the committee to this paragraph—

Mr. ALEXANDER (interposing). Do you desire to have the letter go into the record?

Mr. NAULTY. Yes.

Mr. ALEXANDER. There is no use of your reading part of it and having it appear again in the record.

Mr. NAULTY. This is merely a sentence. This is the particular clause I desire to call to the attention of the committee:

Also we understand from the post-office people that the Cutler people sometimes put up personal bond instead of surety company. Could this be arranged?

The reason I present that is because that is one of the charges that was made, that their personal bond was executed.

Mr. ALEXANDER. Do I understand that you tendered to the Post Office Department a bond in the sum of \$5,000 with personal security and it was rejected?

Mr. NAULTY. No, sir.

What I said was this: That the personal bond of the Cutlers—which one I do not know, whether J. Warren or Joseph G.—was executed, but that the conditions of interpretation with me were such that I was compelled to produce a surety bond, and to obtain that bond I would be compelled to put up collateral, the idea being that they were in such a position that their personal bond would be executed, and I was in such a position that I was compelled to put up a surety bond.

Mr. ALEXANDER. In other words, they were perfectly solvent?

Mr. NAULTY. Yes.

Mr. ALEXANDER. And you were not?

Mr. NAULTY. No; I was solvent.

Mr. ALEXANDER. But the department refused to accept your personal bond?

Mr. NAULTY. Yes; I tendered my personal bond in letters. I never filled out such a bond, but I called the department's attention to that, that a personal bond had been executed and tendered my own; and also made a suggestion to the department of this agreement between mail-chute manufacturers not to sue the department at all, and suggested to the department that that would protect the department quite as well as any bond would—any agreement entered into by them mutually.

Mr. ALEXANDER. Had any such agreement as that been entered into by them?

Mr. NAULTY. No, sir.

Mr. ALEXANDER. Do you think it was possible to have them enter into any such agreement?

Mr. NAULTY. There is no reason in the world why they should not, if the department should say to each one of us it had just as much right to make such a rule or regulation as it has to require a bond, or said to us, "You must agree not to sue the United States Government, and this must be an interacting agreement before we approve any of the chutes." Such an agreement would settle the whole situation.

Mr. ALEXANDER. I understand your point now.

Mr. NAULTY. That was the point I made.

Mr. TOWNER. Before you leave that, you said you made this application to the Government with regard to personal bonds, did you?

Mr. NAULTY. I wrote them——

Mr. TOWNER. Have you filed among your correspondence the answer that the Government made to you?

Mr. NAULTY. There was not any answer to it. That was avoided in all the letters.

(The letter referred to is in the words and figures following, to wit:)

THE HENRY J. SPIEKER CO., 409 MICHIGAN STREET,
Toledo, Ohio, July 3, 1907.

FAIRFAX UNITED STATES MAIL CHUTE SYSTEM,
150 Fifth Avenue, New York, N. Y.

GENTLEMEN: We are very much disappointed at not having received any further word from you regarding the matter of the Ohio mail chute. We have had several communications from Washington all to the effect that as far as the construction of the chute is concerned, it is perfectly satisfactory, and will be accepted and put in commission as soon as the required bond is furnished.

If you find it is impossible to furnish this bond as they demand, could we assist you in any manner? We wish especially that you advise us what the cost of such a bond would be from the surety company. Also, we understand from the post-office people that the Cutler people sometimes put up personal bond instead of surety company. Could this be arranged? We are perfectly willing to do anything within reason to assist you and ourselves in a bad situation, as we feel that it is all due to the work of your competitors.

As you may imagine the owners are getting very anxious and making us a great deal of trouble, and we certainly hope that you will let us have an answer to the above inquiries in full and by return mail.

Yours, truly,

THE HENRY J. SPIEKER CO.,
By HENRY J. SPIEKER, *President*.

Mr. NAULTY (continuing). I desire to submit to this committee also a newspaper clipping which purports to be the printing in part of an interview with J. Warren Cutler, of Rochester, N. Y., who is described in the clipping as "J. Warren Cutler, an official of that company," referring to the Cutler Co., in which he is credited with making this statement:

Since under an act of Congress passed last year authorizing suits for infringement directly against the Government, the erection and use of chutes by irresponsible parties might involve the Government in serious difficulties.

In other words, there, if it is a correct quotation, he practically threatens the Post Office Department with a suit for infringement if the department uses any other device except his.

(The article referred to is in the words and figures following, to wit:)

[Washington Star, June 18, 1911.]

MAIL CHUTE MONOPOLY CHARGES ARE SURPRISE—"ABSURD," IS WAY OFFICIAL OF ROCHESTER MANUFACTURING CO. VIEWS SITUATION.

ROCHESTER, N. Y., June 17.—The announcement in press dispatches of charges made against officials of the Post Office Department in respect to aiding and abetting a monopoly in mail chutes, assuming that E. F. Naulty is correctly quoted, comes as a surprise to the Rochester Manufacturing Co., concerned. J. Warren Cutler, an official of that company, to-day said:

"The specific acts complained of in requiring bonds from mail-chute makers indicate the absurdity of the charges."

In order to protect itself from suits for infringement of patents and to prevent interference with the mail, Mr. Cutler explained, the Post Office Department has required concerns erecting and selling mail chutes to execute a

proper bond. Since under an act of Congress passed last year authorizing suits for infringement directly against the Government, the erection and use of chutes by irresponsible parties might involve the Government in serious difficulties.

BONDS GIVEN FOR YEARS.

Mr. Cutler says his company has been required to give such bonds for more than 20 years, and feels that the fact that a concern offering to sell mail chutes is unwilling to give adequate indemnity bonds has insufficient grounds for complaint.

"This," said Mr. Cutler, "is all there is to the charge as it is understood here. So far as can be learned, we have equipped not more than half a dozen Government buildings, the other sales having been made to private individuals or corporations and all of those chutes are used as part of the postal system without any cost whatever to the Government."

The only way in which that device can be used is under the rule and regulation calling for a certain type of chute built according to certain specifications. Further, in 1906, there was erected in the Post Office Building a new type of Cutler chute which was bought and paid for by the Post Office Department, or else was presented to the Post Office Department. The latter seems so unlikely, although I admit it would be a first-class advertisement, that it seems as though the Post Office Department must have purchased that chute. That chute was installed at a time when the question of the new type of chute was of great moment to the architects and builders throughout the country; and it was purchased and installed without any effort at competition, although at that time the Cutler Manufacturing Co., the Automatic Mail Delivery Co., of New York, and the Fairfax System were building and erecting mail chutes.

I desire further to explain a question which Mr. SLEMP asked me in the previous hearing concerning the authorization at the time of that letter of September 23, 1905. At that time the Automatic Mail Delivery Co. of New York were authorized to build mail chutes to the number of 10 in business buildings and 10 in residential buildings, so that besides the Cutler Manufacturing Co. at the time of the actual dating of the letter there was another concern, at that time a competing concern, in the field building mail chutes.

MR. SLEMP. So that their statement in the advertisement was incorrect, the Cutler Co.'s statement?

MR. NAULTY. Yes. The question of mail chutes in public buildings is one that may be brought before this committee. I desire to point out to this committee the fact that in post-office buildings in large cities, or combination post offices and customhouses, that these buildings are generally equipped with a mail chute, sometimes two, and sometimes, in one or two cases I believe, there were four mail chutes; that these mail chutes must be bought and paid for by some department of the Government. It does not matter, so far as the Government purchase is concerned, whether those chutes are purchased under a subcontract and included in the general contract, the total bill for which the Government pays, or whether they are bought directly. They are actually bought and paid for by a department of the United States Government. The precise number of chutes so purchased may be found by this committee from the list which is kept at the Post Office Department, on which the name and price and information concerning every mail chute in the United States is kept.

Mr. McCoy. While I think of it, you read an alleged interview with Mr. Cutler. From what paper was that?

Mr. NAULTY. That was the Washington Star.

Mr. McCoy. Of what date?

Mr. NAULTY. Of the day succeeding this hearing, June 18, 1911.

Mr. SLEMP. I do not wish to defend Mr. Cutler against any criticism of any kind; I do not want my question to be construed as such; but did not Congress pass a law along about the time he said it did in which men were given the right to sue the Government for infringement of patents?

Mr. NAULTY. Yes, sir. I have a copy of that law.

Mr. SLEMP. And was not this a wise thing for Mr. Cutler to do, to call public attention to it, so that builders might be put on their guard?

Mr. NAULTY. It is another question of inference. It looks to me like a direct threat, and would be so interpreted by most builders; and the fact remains that here is a statement credited to this man—I do not say he said it—which sets forth that “the erection and use by irresponsible parties might involve the Government in serious difficulties.”

Mr. SLEMP. After they had adopted the mail box, then the chutes became a part of the post-office system, and then an infringement of the patent would have given the party whose patent had been infringed a right to sue the Government?

Mr. ALEXANDER. Have you a copy of the act that was passed authorizing them to sue the Government for infringement?

Mr. NAULTY. Yes, sir; this is it. Shall I read it?

Mr. ALEXANDER. Let me see it.

Mr. NAULTY. I have been informed by an attorney that that is special legislation on account of the exclusion of the benefits of the act from certain Government employees.

Mr. SLEMP. I think they expect, over in the Attorney General's office, much more litigation on account of that act than they had before.

Mr. NAULTY. These things are all general. This act was passed only last year, and the difficulties of which I complain were long before the passage of this act.

Mr. SLEMP. I realize that.

Mr. TOWNER. Has it not been true for many years that when the Government was going to use any patented device they required a bond of the person who was furnishing the material to the Government, under the patent, exempting the Government from liability to suit for infringement of the patent, as a matter of course?

Mr. NAULTY. I think that is true in regard to some patents. But if that were followed generally in a building, or if the same ratio of bond was required, on a million-dollar building, it would require the placing of bonds to the extent of \$15,000,000, because as to the various things entering into the construction of a modern building, the patents so interlap each other, as on the question of flooring, and of every form of construction—those patents so overlap each other that if that plan were rigidly followed, it would be utterly impossible to go on and do business.

Mr. TOWNER. As you now stand in your relation to the Government, is the only thing you complain of this requirement of the bond?

Mr. NAULTY. At the present time I have succeeded in clearing up everything else except this question of the bond and the amount which that amount shall be.

It is true, in their letter, they ask only for a bond of \$5,000, but they specifically state in the letter of advice to me that the department reserves the right to extend this bond at any time in any manner they may see fit. So it is indeterminate, and it is not a situation that you can set aside as being ten, fifteen, five, or any number of thousands of dollars. It simply goes on and there is no determination to it.

Mr. TOWNER. It did not need a statement to that effect to be made by the Government, if it would be true without any such statement. You know, in dealings with the Government, if they desired you to give an additional bond at any time they could require you to do it. If they can require it at any time, they can require any additional amount of bond. Why do you complain of a statement by the Government of a fact that was already in existence?

Mr. NAULTY. Assume that went on a business for 20 years; you can see where that would put us, if there was no determination of the question. The question must come to an issue at some time. It is not the sum of ten or fifteen or five thousand dollars as a bond, but it is the determination of the issue itself. By the rules and regulations of the Post Office Department a certain type of chute is called for. If the department will permit it, I will build a chute for the department, without a patent of any sort, that will do this work just as well as any one of the chutes that have been tendered at any time to the Post Office Department. It will be open and free to competition.

Mr. TOWNER. I do not quite think you appreciate the question. Perhaps that is my fault. Let us assume that you have given the \$5,000 bond and there had been no statement by them about requiring an additional bond. You recognize the fact that at any time they could require you to give an additional bond, do you not?

Mr. NAULTY. Not without such notice; no. I would not assume it.

Mr. TOWNER. Of course, they would notify you. They would say, "We want you to raise your bond \$10,000." It might have done that at any time, might it not?

Mr. NAULTY. It might have done so, but I should not anticipate it. To make my own thought clear, because of the amount of any possible damages that could be collected against them, the situation is, Mr. Towner, that it is more than unlikely that any concern in the United States would undertake to sue any department of the United States Government to force it to use its device, a suit for infringement against the United States Government brought by myself or any mail-chute manufacturer. Assume that I had the basic patent, controlling every one of these mail chutes, I would not dare to undertake a suit against the United States Government to force them to use my chute nor would anybody else.

Mr. TOWNER. You are complaining about the policy of the Government in regard to furnishing bonds, and that is a complaint about the requirement itself.

Mr. NAULTY. That is a portion of the complaint.

Mr. TOWNER. Of course you recognize, I suppose, the fact that this committee could hardly be in any position to help you to change the

policy of the Government in regard to such a matter as that, so long as it treats all individuals alike who are engaged in the same kind of business before the department. I presume that is all you could require.

Mr. NAULTY. That is only a portion. The question of the bond is only a portion of the complaint. A very serious part of the complaint is the fact that mail chutes have been purchased by the United States without competitive bidding.

Mr. TOWNER. That is entirely another matter.

Mr. NAULTY. Yes; and the fact that that order No. 157 has not yet been made public.

Mr. TOWNER. This committee might go with you upon that portion of your complaint, but they might not be willing to go with you upon your complaint with regard to the bond proposition.

Mr. McCoy. Let me see if I understand this bond matter rightly. Is it your understanding that if, in a particular case of the installation of your device, the Government should require a bond, say, for \$5,000, that it could extend the penalty of that very bond to \$10,000?

Mr. NAULTY. Yes, sir.

Mr. McCoy. Is that your understanding of it?

Mr. NAULTY. Yes, sir; that is my understanding.

Mr. McCoy. Have you any bond here, or can you get us a blank form of bond which could be interpreted in that way?

Mr. NAULTY. We were forced to give a bond for \$5,000 for the mail chutes in the Ohio Building, in Toledo, Ohio. We furnished such a bond by arrangement with J. C. Robinson of that bank. That bond, by agreement made with Mr. Robinson in New York, was a blanket bond, and was arranged to cover our devices. Yet we were denied to open the chute at Fifty-seventh Street in New York under that very bond, which was given for that purpose, to cover this very thing.

Mr. NAULTY. The only conclusion I could then draw was that the department wanted \$5,000—I can not assume what the department intends to do; its actions are the only things from which I can judge; and in this case they exacted a bond of \$5,000 from me to cover this very thing, framed as they desired, and then denied me the right to open a chute in New York under that very bond.

Mr. SLEMP. Did they require an additional bond from you?

Mr. NAULTY. They asked for one.

Mr. McCoy. That does not get at my point. I want to understand, or to get Mr. Naulty's understanding, what the Government has a right to claim, or says it has a right to claim, with reference to the penalty of a given bond on a given job.

Mr. NAULTY. The bond they require is a blanket bond, covering the chutes that have been erected.

Mr. McCoy. What I want to get at is this: You, say, have given a bond to protect the Government in a specific case——

Mr. SLEMP. No; at a specific time.

Mr. McCoy. At the time of the erection of a specific mail chute, you give a bond for \$5,000, or any other sum. Now, is it your understanding that the Government can simply say, "We elect that the penalty of the bond shall be \$10,000?"

Mr. NAULTY. No.

Mr. McCoy. That is what I want to get at.

Mr. NAULTY. No.

Mr. McCoy. Then, your complaint is, if I understand it now, that they may require a bond for \$5,000 to secure them against an infringement suit for their use of one chute, and then if you are going to put up another chute they may require another bond for \$5,000; and in case you are going to put up a third chute, they may require a third bond of \$5,000, and so on, as many times as you want to put in additional chutes?

Mr. NAULTY. Yes.

Mr. McCoy. That is one branch of your complaint, is it?

Mr. NAULTY. It is; yes.

Mr. McCoy. Now, you did put up a mail chute in a bank out in Ohio; is that so?

Mr. NAULTY. Yes.

Mr. McCoy. And to secure the Government against suit for infringement for the use of that chute you did put up a bond of \$5,000?

Mr. NAULTY. Well, I did not put up the bond.

Mr. McCoy. You furnished a bond?

Mr. NAULTY. Yes.

Mr. McCoy. Do I understand rightly that, under the terms of that bond required in that particular instance, if you had been allowed to go on and erect another chute and a suit for infringement had been brought against the Government on the second chute, it would have been protected under the first bond—under the one bond?

Mr. NAULTY. That the Government would have been protected?

Mr. McCoy. Yes.

Mr. NAULTY. Yes, sir.

Mr. McCoy. They would have been protected even though they had not required you to give a bond on the second job?

Mr. NAULTY. Yes.

Mr. McCoy. How soon after you erected the Ohio chute did you erect this chute in the Sheffield Farms Building in New York?

Mr. NAULTY. The work was being done on that by my firm while I was away; but it was about the same time; it was the same summer.

Mr. McCoy. Did they require you to furnish a bond for the Sheffield Farms job before they would allow it to go into commission?

Mr. NAULTY. Yes.

Mr. McCoy. What was the cost of the erection and installation of the Ohio chute?

Mr. NAULTY. About \$1,400.

Mr. McCoy. And what was the cost of the erection of the Sheffield chute?

Mr. NAULTY. Around \$800; between \$800 and \$900.

Mr. McCoy. Did the Cutler Co. bid on the Ohio chute?

Mr. NAULTY. Yes.

Mr. McCoy. What was their bid?

Mr. NAULTY. I don't know.

Mr. McCoy. Did you ever hear?

Mr. NAULTY. I understood that their bid was eighteen hundred dollars.

Mr. McCoy. Did they bid on the Sheffield chute?

Mr. NAULTY. I believe so.

Mr. McCoy. Do you know what their bid on that was?

Mr. NAULTY. No, sir.

Mr. McCoy. Did you ever hear what it was?

Mr. NAULTY. No.

Mr. McCoy. How many times have you entered into competitive bidding against the Cutler Co. for mail chutes?

Mr. NAULTY. In four or five hundred cases.

Mr. McCoy. In four or five hundred cases?

Mr. NAULTY. Yes, sir.

Mr. McCoy. Basing your answer on your knowledge on those four or five hundred cases, how much in percentage did the Cutler Co. bid in excess of your bids?

Mr. NAULTY. About one-third.

Mr. McCoy. About one-third?

Mr. NAULTY. Yes, sir.

Mr. McCoy. So, based on your experience, you would say that in the Sheffield Farms case the bid of the Cutler Co. was one-third of \$800 in excess of your bid of \$800?

Mr. NAULTY. Yes; but, Mr. McCoy, you asked me for the cost of that. That was not the selling price.

Mr. McCoy. The cost?

Mr. NAULTY. Yes. We sell those for less than that. The Ohio chute was sold for \$1,150.

Mr. McCoy. You sold it for less than it cost?

Mr. NAULTY. For less than it cost. It cost us more. We lost money on that job.

Mr. McCoy. Then if you had sold the Ohio chute on a business basis, you would have sold it for more than \$1,400?

Mr. NAULTY. No; there were special conditions which we did not expect would come up. Several trips were required by the action of the department there, between Toledo and Washington, and Washington and New York, which had to be paid for; expenses which were not figured in the erection of the chute, which ordinarily need not have been. There were two trips made between Washington and Toledo. The contract price of the chute was \$1,150, and we would have made on that chute, under our system of factoring, about \$175 profit.

Mr. McCoy. What were the figures you gave of difference in price? About 20 per cent, you say, or one-third?

Mr. NAULTY. About one-third in such cases where I knew what the other bid was. That is referred to, Mr. McCoy, in Mr. Nesbit's testimony. He gives concrete instances.

Mr. McCoy. Then, is it not a fact, or is it not your opinion, that a bond in the Sheffield job in the penalty of \$500 would have amply protected the Government against any possible damages that it could have been charged with for using your chute, assuming that your chute was an infringement of the Cutler device?

Mr. NAULTY. Much less than that.

Mr. McCoy. Putting it at the utmost limit?

Mr. NAULTY. Yes, sir.

Mr. McCoy. And possibly on top of the utmost limit of the damage, some costs of litigation?

Mr. NAULTY. I believe that the only things that can be recovered are the demonstrated profits.

Mr. McCoy. Your answer brings up another point. Does it cost, in your opinion, more to make a Cutler chute than it costs to make your chute?

Mr. NAULTY. Not now.

Mr. McCoy. Did it when you installed this Sheffield Farms device?

Mr. NAULTY. It ought not to have; I don't know.

Mr. McCoy. You do not know any reason why it should have cost any more?

Mr. NAULTY. No; I do not.

Mr. McCoy. How much profit would there have been in the Sheffield device if you had put it in under normal conditions and been paid promptly for it, without complications?

Mr. NAULTY. Less than \$100 profit.

Mr. McCoy. So that if the Cutler Co. could have made that as cheaply as you made it and had charged \$266 more for it than you put it in for, \$366 would be the limit of the damages which the Cutler Co. could recover in case of a successful infringement suit by the Cutler Co.?

Mr. NAULTY. Yes.

Mr. McCoy. Plus whatever costs might be taxed in the action?

Mr. NAULTY. Yes.

Mr. McCoy. So that, taking the same percentages in the Ohio chute, the \$5,000 bond which was given on that job and which would have covered the Sheffield Farms Building job would be at least in the penalty of approximately three times as much as any likely damages that could be recovered against the Government on both jobs?

Mr. NAULTY. Yes, sir.

Mr. TOWNER. Have you ever at any time filed with the Government a bond in any single instance?

Mr. NAULTY. Except in this Ohio chute; that is the only one.

Mr. TOWNER. Was it not your understanding that the Government was going to require you to give a separate and individual bond for each installation?

Mr. NAULTY. Order No. 148 provides that that be done.

Mr. TOWNER. That does not answer the question.

Mr. NAULTY. I was just leading up to it by explaining. It was found that that was cumbersome—giving bonds to postmasters covering each chute. Then it was decided to give the bond to the Post Office Department covering each chute. Then that again was changed and the blanket-bond requirement with these regulations, issued in August of 1905, was made. But there was a period of nearly 18 months in which there was no definite position taken by the Post Office Department as to what the precise form was. They were sort of going along and accepting one set of bids from one concern and another set from another, and so on, until they finally decided they would ask for blanket bonds covering generally the erection of the chutes.

Mr. TOWNER. Now, then, so far as the requirement of the Government stands now, they do not require of you individual bonds for individual installation, but they have only asked of you to give a general bond of \$5,000 covering all the installation, until further notice on their part.

Mr. NAULTY. Yes, sir.

Mr. TOWNER. You complain of that requirement, do you?

Mr. NAULTY. Yes; I do.

Mr. TOWNER. What is your idea that the Government should do? Not to require any bond at all?

Mr. NAULTY. My suggestion was conveyed in a letter to Postmaster General Cortelyou.

Mr. TOWNER. Just please answer my question.

Mr. NAULTY. It was submitted at that time, and it was this, that since it appears to lie within the province of the post office to make rules and regulations covering the installation of mail chutes, their construction, their specifications, their type, and everything connected with them, it also would seem as if the Post Office Department could require, as an essential factor to the acceptance of any chute, that the manufacturer of that chute file with the Government an agreement not to sue the Government for any of its patents. We are willing to do that, and I have a basic patent on mail chutes. I am willing, and have stated so, in writing, to the department.

Mr. ALEXANDER. The purpose of that was to avoid the necessity on your part of giving a bond in any sum?

Mr. NAULTY. Yes.

Mr. TOWNER. But you do now object and complain because you are required to give any bond in any sum?

Mr. NAULTY. Yes.

Mr. TOWNER. That is all.

Mr. ALEXANDER. The result has been, however, as you complain, that the Cutler people have gotten a monopoly of this business.

Mr. NAULTY. Absolutely.

Mr. ALEXANDER. And furnish all suits to the Government without competition and at their own price?

Mr. NAULTY. Yes, sir. It is the principle for which I have fought during these five years. I could have quit any time and gone into some other business and made more out of it than I have in this one particular thing; but it is the principle involved in this thing—of my right to do business, to sell the product of my hand and my brain as I want to, and in competition. I have never asked any favors from the United States Post Office Department in any way. All I have asked of them is to let me go in and build mail chutes. If my competitor can build a better mail chute than I can the job rightfully belongs to him. But I want the unrestricted right to build mail chutes, and this has been denied me, and I have been prevented from doing business. I am not going to quit under fire.

Mr. ALEXANDER. All of that is in the record already.

Mr. McCoy. Do I understand the Sheffield Farm's chute is in use?

Mr. NAULTY. No, sir; it never has been opened.

Mr. McCoy. Why not?

Mr. NAULTY. I do not know. We have tried to get it open.

Mr. McCoy. What have they stated to you as the reasons for not opening it?

Mr. NAULTY. The superintendent of city delivery in New York was John Washington. He is now dead, having died recently. I tried to find out from him what the reasons were, but never could get any direct information.

Mr. McCoy. Did you try the department here in Washington?

Mr. NAULTY. No; because that case I desired to have acted upon by the local postmaster in New York, so that it might establish a record as to what decisions would be made where we applied in one case to the Post Office Department and in another case to the postmaster. The situation is we ought not to be compelled to deal with the department under the rules and regulations. That is, we ought not to go over the head of the local postmaster, since the rules and regulations provide that we shall file with the local postmaster a blueprint covering the plan of the building, the distance the chute is from the door, and other information necessary to him, and that he then affixes his approval to the location of the chute, the authorization to build the chute, and the approval of its construction having been previously obtained from the Post Office Department. So that, as a matter of fact, we ought not to come into contact with the Post Office Department at all. I thought all that would be necessary for us to do would be to file with the postmaster the necessary things required by the rules and regulations, when he would attend to it in his usual routine of business and return approved the contract to us.

Mr. McCoy. Why do you not take that Sheffield Farms case up with the department in Washington now?

Mr. NAULTY. I will. The reason I have not done so is because, apparently, every effort of my own to get anything done in the Post Office Department simply meant delay, as evidenced in the matter immediately before this committee.

Mr. McCoy. Will you not take the matter up with them now, and later make a statement to this committee of what the result is?

Mr. NAULTY. Yes; I will write a letter to the department this afternoon, asking them to open the chute which has been built. The situation now is that the chute has not been touched and I do not know what use has been made of it. It may have been used to chuck rubbish down.

Mr. McCoy. Let them say that is the fact, if it is. Take it up with the department and let us hear what the department says.

Mr. NAULTY. All right, sir; I will write such a letter to the Post Office Department this afternoon.

Mr. SLEMP. If I understood you, you stated that you believed it would be good policy on the part of the Government to accept an agreement on the part of the manufacturers of mail chutes not to bring suits for infringement of patents, in lieu of the bond that they have been requiring?

Mr. NAULTY. Yes.

Mr. SLEMP. Suppose, however, that one or two manufacturers did not enter into that agreement, or suppose that there was the owner of a patent who was not in the manufacturing business; suppose they did not care to enter into such an agreement. Then, you would not be in a position to tender such an agreement of that kind that would be a protection to the Government?

Mr. NAULTY. I could tender such an agreement on my part. Of course I could not control the actions of others. That would be for the department then to say.

Mr. TOWNER. Do you not know, as a matter of information, that no such contract or agreement of that kind has any validity whatever?

Mr. NAULTY. I am not so informed.

Mr. TOWNER. Have you ever had any attorney give you any information of that sort?

Mr. NAULTY. Yes.

Mr. TOWNER. Have you had the opinion of any reputable attorney given to you that an agreement on your part not to bring a suit would be valid?

Mr. NAULTY. Yes.

The CHAIRMAN. Is there anything else?

Mr. NAULTY. I have nothing further to say, except in connection with this very action of patents. I would like to file with the committee, for incorporation in this record, if the committee will accept it, the history of a patent case, because this very thing will be brought up if this committee continues this examination, and considerable may hinge upon it. This [indicating papers witness held in his hand] is the history of Cutler v. Naulty, prior to the declaration of interference in that case, and shows the position taken by the primary examiner, the pleadings, and everything, and would be of value as taking this thing away back in its beginning. It is all prepared.

Mr. ALEXANDER. What light would it throw on any issue involved here?

Mr. NAULTY. The question as to the patent right of Cutler to furnish the United States Government the only chute it can use.

The CHAIRMAN. Has not all that been settled? Have not all the suits been dismissed?

Mr. McCoy. I make this suggestion: If that question in any subsequent phase of the case comes up, then Mr. Naulty can certainly have the opportunity to rebut anything.

The CHAIRMAN. Of course. Mr. Naulty, you are excused for today.

TESTIMONY OF A. C. MOSES.

A. C. Moses was called as a witness, and having been duly sworn, testified as follows:

The CHAIRMAN. Please state your name.

Mr. MOSES. A. C. Moses.

The CHAIRMAN. Are you a member of the firm of W. B. Moses & Sons?

Mr. MOSES. Well, it is a corporation instead of a firm, and I am the secretary and treasurer.

The CHAIRMAN. You are secretary and treasurer of the company of W. B. Moses & Sons?

Mr. MOSES. Yes, sir.

The CHAIRMAN. What business are you engaged in?

Mr. MOSES. Furniture and carpets and general house furnishings.

The CHAIRMAN. Do you manufacture or sell office furniture and filing devices?

Mr. MOSES. We sell more than we manufacture. It might be said we make special orders.

The CHAIRMAN. Do you have some contracts at this time with the Post Office Department?

Mr. MOSES. We do a little business with them from time to time.

The CHAIRMAN. Did you receive a proposal for bids for some filing devices about the 1st of this month?

Mr. MOSES. I could not say. We might have and we might not have. I am not always familiar with the proposals that come in, and do not sign them all.

The CHAIRMAN. You do not know, then, whether or not you made a bid on any proposals for filing devices for the Post Office Department during this month?

Mr. MOSES. No; I am not positive, but I can refer to our files by telephoning down, and give you an answer to that before the hearing is over, if you would like to have it.

The CHAIRMAN. Have your business relations with the purchasing agent of the Post Office Department been satisfactory? In other words, have you any complaint to make as to whether or not you have been treated fairly in the awarding of contracts for supplies?

Mr. MOSES. Well, I made a comparison a little while ago of the amount of business we have been having in the Post Office Department.

The CHAIRMAN. Comparison with what?

Mr. MOSES. Of total business ending June 30, 1910, and the following six months from June 30 on to the time I made the examination, about January, I think it was. I found in the last six months we had done about \$100 worth of furniture business in the Post Office Department—I think \$93. I don't remember exactly. That was as compared to about \$2,050, or so, for the 12 months previous.

Mr. TOWNER. Let me ask you this question: Your firm is one of the largest furniture firms in the city, is it not?

Mr. MOSES. Yes, sir.

Mr. TOWNER. It probably does as expensive a business as any other one firm?

Mr. MOSES. Yes, sir.

The CHAIRMAN. You have had considerable dealings with all the departments of the Government in the city, have you?

Mr. MOSES. Yes, sir.

Mr. ALEXANDER. Did you furnish the furniture for these offices?

Mr. MOSES. We furnished a small part of it for these offices?

The CHAIRMAN. Have you any explanation to make as to why your business has fallen off so much in the Post Office Department?

Mr. MOSES. There is some legitimate reason for our not getting as much business as we did from the Post Office Department. The agency for the Globe-Wernicke devices was taken away from us by the Globe-Wernicke people in June, 1910, and it is a natural thing for any office to continue a stack of files once started, providing that stack is in a room and they desire uniformity of style and method of filing. So that I have not blamed the Post Office Department for that part of the falling off of our business at all.

We have lost some desk business, but whether there was any desk business down there to have or not I do not know. But we have the same line of desks exclusively that we had before.

Mr. McCoy. Before you lost the Globe-Wernicke agency?

Mr. MOSES. Yes. We have continued this line of desks for many years. Mr. Weed, the chief clerk of the Post Office Department, said to me not long ago that they had been buying comparatively little in the past year. I made inquiry about it.

The CHAIRMAN. Who is the representative in this city of the Globe-Wernicke Co.?

Mr. MOSES. They have their own office now, and it is managed by Mr. Campbell, who was formerly with us.

The CHAIRMAN. I was going to inquire if he was connected with your company——

Mr. MOSES. Yes.

The CHAIRMAN (continuing). At the time you had the agency for the Globe-Wernicke Co.?

Mr. MOSES. Yes; he was manager of the office-furniture department at that time.

The CHAIRMAN. And at the time the agency was established by the Globe-Wernicke Co. in this city Mr. Campbell left your company?

Mr. MOSES. Exactly.

Mr. SLEMP. You are not manufacturers of filing devices?

Mr. MOSES. No; we sell them as agents.

Mr. McCoy. Were you ever agents in this city for Doton & Dutton?

Mr. MOSES. Yes.

Mr. McCoy. You lost that agency at the same time?

Mr. MOSES. About the same time; within the same month. We had some of their goods in stock—I guess we have some of them now—but we were not their agents after that month.

The CHAIRMAN. Does that company have a representative in Washington?

Mr. MOSES. I think the Globe-Wernicke Co. represents them here. I do not think, I know they do.

Mr. SLEMP. What companies are you agents for now that manufacture office devices?

Mr. MOSES. Brown & Morse are the principal makers we represent; and the Crown Metal Construction Co., in metal devices. The Brown & Morse Co. deal in wood only. Then there are some few side lines for which we are not the exclusive agents.

Mr. McCoy. Would it be in the regular line of your business to undertake to furnish a suite of offices complete, with carpets, furniture, hangings, and everything that would go into a fully furnished office?

Mr. MOSES. Absolutely.

Mr. McCoy. That is your regular line of business, and you have been in it for years?

Mr. MOSES. Yes, sir. Even if you wanted the woodwork, wanted a new cornice built, we would take the contract.

Mr. McCoy. Do you carry a line of curtains, carpets, and so on?

Mr. MOSES. Yes, sir; we have everything that goes into an interior.

Mr. McCoy. You carry stocks of goods for interior furnishings?

Mr. MOSES. Yes, sir.

Mr. McCoy. In your regular stocks?

Mr. MOSES. Yes, sir.

Mr. McCoy. You make contracts for furnishing private houses?

Mr. MOSES. All the way through.

Mr. McCoy. With carpets, furniture, and curtains?

Mr. MOSES. Yes, sir.

Mr. ALEXANDER. At the time Mr. Weed was refurnishing the offices of the Postmaster General, were you invited to make bids for the refurnishing of his offices?

Mr. MOSES. No, sir.

Mr. ALEXANDER. And you do that class of work?

Mr. MOSES. Yes, sir.

Mr. ALEXANDER. And handle first-class furniture and fixtures, draperies, do you not?

Mr. MOSES. The finest.

Mr. ALEXANDER. Can you account for your having lost the Globe-Wernicke agency?

Mr. MOSES. Well, there are several guesses that I might make, but nothing that I know.

Mr. ALEXANDER. Would your guesses be based on certain information that you have? In other words, do you mean that you draw inferences from certain things that were stated to you?

Mr. MOSES. Well, it is a five-minute story, if you want to have it.

The CHAIRMAN. We will be glad to hear you.

Mr. MOSES. They had a traveling agent who was manager of this district, whose last statement to me was that we did not give the Globe-Wernicke factory product sufficient space. Then there was an award of, I think, \$70 or \$80. A proposal came out in the Navy Department, and our men failed to make a proposal there; and on the pretext of the two things, he said the agency which we had had for some years, during which time we had established the product very thoroughly in all branches of the Government and shipped a good deal of it around the country—he said that they would manage their own branch, and proceeded to take my manager and assistant manager away. Those are parts of our business troubles that do not matter much in the end.

But the Globe-Wernicke devices had been so thoroughly started in the Government service all over the country that it was difficult—it is difficult to-day—for any branch of the Government to order a filing device and not continue the stacks of the Globe-Wernicke which have been started. When these shipments were made to various sections of the country, having been the promoters of that type of furniture in the Government use, we naturally claimed the commission; and I think it rather stuck in the craw of the factory that they had to pay us a commission for stuff which was shipped out of our territory, and they made up their minds they did not want us.

Mr. SLEMP. After you had secured the first original order?

Mr. MOSES. Oh, after seven years of promotion, seven or eight years of hard work on it. But then they had the right to do it if they chose to do that. And that, as far as I know, was the reason.

Mr. McCoy. They thought you were making too much?

Mr. MOSES. They wanted it for themselves, instead of sharing it with us. That is the idea.

Mr. SLEMP. You stated a few moments ago there were certain legitimate reasons for the falling off of your business.

Mr. MOSES. For that very reason, that a Globe-Wernicke stack might be started in an office——

Mr. SLEMP (interposing). I understood what you meant by that, but you left the inference that there were other reasons.

Mr. MOSES. The other reason I did explain in the next paragraph. If desks have been used in the Post Office Department and we did not get such business at that, or chairs, then my inference would be that we had not had fair treatment. Whether or not desks or chairs have been used in the Post Office Department during the time that our business has fallen off, I am not cognizant.

Mr. McCoy. You would not say it was unfair if you did not sell them, but that you did not get an opportunity to bid; is that what you mean?

Mr. MOSES. Decidedly I would not say it was unfair that we did not sell them. We asked only a chance to bid. I think I might cite an instance which occurred recently, in justice to the Post Office people. I do not know what branch it was in. There was a new branch started down there recently.

Mr. ALEXANDER. Was it the Court of Customs Appeal or the Commerce Court?

Mr. MOSES. No. The Customs Appeals Court would not come under the Post Office, would it?

Mr. ALEXANDER. No.

Mr. MOSES. This was a branch of the Post Office Department.

The CHAIRMAN. Was it the Postal Savings?

Mr. MOSES. Yes. One of my men came to me and said they saw some new desks down in that branch—what they thought were new desks—and we had not had any opportunity to bid. I telephoned to Mr. Weed and asked him about it. He said he would look it up. Later he called up and said he had ordered the desks out; that they had been put in without his authority, and we would receive an opportunity to bid.

Mr. McCoy. Did he tell you what make of desks they were?

Mr. MOSES. No.

Mr. SLEMP. Was that followed by an opportunity for you to bid?

Mr. MOSES. No; we have not had it yet.

Mr. McCoy. How long ago was this conversation?

Mr. MOSES. I should say three or four weeks.

The CHAIRMAN. Mr. Moses, does this local representative of the Globe-Wernicke Co. have a store—does he conduct a store?

Mr. MOSES. Yes.

The CHAIRMAN. Does he handle anything besides the product of the Globe-Wernicke Co.?

Mr. MOSES. Yes; he has two or three other manufacturers' products.

The CHAIRMAN. What does he handle?

Mr. MOSES. He handles office chairs and all of the type of stuff that there would be in offices, like in this building.

The CHAIRMAN. Does he carry rugs and draperies?

Mr. MOSES. No; he handles no rugs and draperies—not in his place. I know he takes orders for them and sublets them when he can, but he does not handle them direct.

The CHAIRMAN. Have you had any dealings with Mr. Stevens, the furniture expert in the Treasury Department?

Mr. MOSES. Oh, yes.

The CHAIRMAN. Were they satisfactory?

Mr. MOSES. I can not say that they were.

The CHAIRMAN. In what respect have they been unsatisfactory?

Mr. MOSES. Well, that is another long story, if you would like to hear it. I will try to be as brief as I can.

The CHAIRMAN. You can state it as briefly as you can.

Mr. MOSES. That goes back to another department. It does not refer to anything under the Post Office Department. Do you particularly want me to state my experience with Mr. Stevens in other departments?

The CHAIRMAN. Well, Mr. Stevens has something to do as the expert with the purchases of the Post Office Department.

Mr. MOSES. Oh, yes.

The CHAIRMAN. As well as other departments, and therefore is in that way connected with the Post Office Department and with this matter in question. For that reason you can state it.

Mr. MOSES. In the case of the Customs Court, Mr. Stevens brought in one of the judges to our place, examined the furniture, and asked this young man sitting here [indicating Mr. Hurley] if those were the lowest prices, and I am told that this young man said Yes. They went out and never came back again, as far as I know. No proposal was ever sent to us by that court, or by any officer of that court, and I understand they bought about \$10,000 worth of stuff.

The CHAIRMAN. How much?

Mr. MOSES. About \$10,000 worth, to furnish that court. I understand that no proposal calling for the usual three or four bids was issued for that, but I am not sure of that. At any event, we never got a chance to bid. This young chap here, who was then one of the young assistants in the department, without authority or training as to the handling of a big contract——

The CHAIRMAN. Whom do you refer to as "this young chap"?

Mr. MOSES. This young man sitting here, Mr. Hurley. He was in our employ at that time. When he was asked if those were the lowest prices, he responded that they were. According to our regular method of selling goods, there is a marked price on every piece, but, of course, that does not provide for every bid. We never for a moment imagined we were going to be shelved because of such a statement as that on a big contract amounting to \$10,000. We had no opportunity to bid. That was one instance that I think Mr. Stevens controlled.

The CHAIRMAN. You made reference to Mr. Hurley. With what company is he connected now?

Mr. MOSES. I think he is with the Globe-Wernicke Co. He was with us at that time.

The CHAIRMAN. So you had no opportunity to bid on this contract?

Mr. MOSES. Not to bid; but I should say we furnished the draperies, amounting to perhaps fifteen hundred or two thousand dollars. Do you happen to remember, Mr. Hurley?

Mr. HURLEY. I have not the slightest idea.

Mr. MOSES. We furnished those; sold them to the Globe-Wernicke Co., who in turn sold them to the Customs Court.

The CHAIRMAN. You have sold goods to different departments and billed them to this company?

Mr. MOSES. We did in this instance.

The CHAIRMAN. Is that the only instance you refer to—the Globe-Wernicke Co.?

Mr. MOSES. Well, I would not say it is the only instance, but it is the only one I know of.

The CHAIRMAN. When you bill goods in that way to the Globe-Wernicke Co., for some department, do you sell them at your regular price or do you give them a courtesy discount?

Mr. MOSES. If it were a small order we would give them a courtesy discount. If it were a large bid, and they told us it was for Govern-

ment work or institutional work we would give them a bid that was a little lower than the courtesy discount would amount to.

Mr. McCoy. How much is the courtesy discount?

Mr. MOSES. To institutions and establishments in Washington it is 10 per cent.

Mr. McCoy. How much more is the discount on the other kind of contract?

Mr. MOSES. If we were bidding direct on the contract of \$10,000, there would have been at least 20 per cent more than the courtesy-discount difference, because the Government does not pay a large margin of profit.

Mr. McCoy. Do you know whether the Globe-Wernicke Co. turned into the Government at the full price what you sold them?

Mr. MOSES. I do not know about that at all, sir.

Mr. SLEMP. Did I understand you to say that on this particular bill of goods you furnished the Globe-Wernicke Co. you allowed them a 10 per cent courtesy discount?

Mr. MOSES. We did, on the drapery supplies to them, at a special price. It was for a very large contract, and it was more than a courtesy discount, I imagine.

Mr. SLEMP. What I was trying to get at was whether they made a profit on that.

Mr. MOSES. Well, there would be only one way to find that out, and that would be for me to show you my books, showing the prices for which I sold to the Globe-Wernicke Co. and the prices that they entered it to the Customs Court at.

I should like to volunteer a statement that I think would be interesting to this committee, but I should first like to know whether it would go into the record and be printed?

Mr. McCoy. Yes.

Mr. MOSES. Well, then, I think I will not say it.

Mr. TOWNER. I have no objections to its being stated.

Mr. SLEMP. The objection comes from Mr. Moses.

Mr. MOSES. I am willing to volunteer it, if it is omitted from the record.

Mr. McCoy. I am not interested in it unless it is to go into the record, because I would not allow Mr. Moses to state it without my asking some questions about it.

(After informal discussion, which the stenographer was directed not to report.)

The CHAIRMAN. Mr. Moses is the last witness, and after we finish with him we can go into executive session and hear his statement at that time.

There are just one or two more questions, Mr. Moses. You have been engaged in the furniture business and the selling of office supplies and the like for a considerable length of time; have you not?

Mr. MOSES. Twenty-five years.

The CHAIRMAN. You feel, then, that you have some expert knowledge of your business; do you not?

Mr. MOSES. Yes, sir.

The CHAIRMAN. I would like to ask you whether or not you regard this Mr. Stevens, who has been referred to, as an expert on furniture?

Mr. MOSES. I would not call him an expert, because of his comparatively brief experience, so far as I know; but I think he has a very good knowledge of furniture construction.

The CHAIRMAN. Has he acquired this knowledge since he became an expert in the furniture department?

Mr. MOSES. I think he acquired it just before he took the examination for this position he now has, by assiduous study and by careful attention to the business since then.

The CHAIRMAN. And his record as a furniture expert has been and is satisfactory to the dealers of the city?

Mr. MOSES. I think, perhaps as a furniture expert, it is generally satisfactory.

Mr. ALEXANDER. You are not complaining about his lack of knowledge?

Mr. MOSES. I am not complaining of his lack of knowledge; no, sir.

Mr. ALEXANDER. It is his failure to give the various manufacturers and dealers a square deal of which you are complaining?

Mr. MOSES. That is my view, sir.

Mr. McCoy. This question of a furniture expert arouses my curiosity. What is a furniture expert, anyhow?

Mr. MOSES. Well, a furniture expert is a man who could tell you from the construction of that case [indicating one in the room] very nearly in what way it was put together on the inside by looking at the outside.

Mr. McCoy. By looking at the outside?

Mr. MOSES. Yes, sir. He could tell you by looking at the inside, and taking the drawing, perhaps, showing a cross-section, whether it was put together in a way that would stand better than it would if it was put together in another way.

Mr. McCoy. Now, just take that one point. How could he tell any such thing as that?

Mr. MOSES. Just as an architect figures out the strain on a building; just as he knows by study and comparison with the various constructions of the most prominent manufacturers what constructions have stood the test of time.

Mr. McCoy. That is what I am getting at. He can not tell by mere inspection unless he has a basis of comparison.

Mr. MOSES. But his basis of comparison is the result of study. There is no established basis. Each man must know that himself by personal contact with the business.

Mr. ALEXANDER. Is he a practical mechanic?

Mr. MOSES. I heard a man say two weeks ago that he could handle tools himself fairly well, and could make a piece of furniture—some modest thing.

Mr. McCoy. That is the point I wanted to bring out, whether it is not something of that sort which makes a man an expert. For instance, I might go to New York, where there are 500 places or more selling furniture, if I wanted to furnish a big office, and take up every day for two weeks, having them pull out every drawer and making a full inspection of the different pieces, and I suppose that at the end of that time I could come pretty near guessing which one

of those pieces of furniture would stand the wear I wanted to give it?

Mr. MOSES. I think you could.

Mr. MCCOY. I am not speaking of myself particularly, but I have reference to any man with a little bit of horse sense.

Mr. MOSES. Yes, sir.

The CHAIRMAN. That is all. We will excuse the stenographer and will have an executive session.

(Thereupon the committee proceeded to the consideration of executive business, after which it adjourned until to-morrow, Saturday, June 24, 1911, at 10 o'clock a. m.)

No. 8

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT

HOUSE OF REPRESENTATIVES

ON

HOUSE RESOLUTION NO. 109

TO INVESTIGATE THE POST OFFICE
DEPARTMENT

JUNE 26 AND 27, 1911



WASHINGTON
GOVERNMENT PRINTING OFFICE
1911

**COMMITTEE ON EXPENDITURES IN THE POST OFFICE
DEPARTMENT.**

HOUSE OF REPRESENTATIVES.

[Committee room, room 293, House Office Building. Telephone 589. Meets on call.

WILLIAM A. ASHBROOK, Ohio, *Chairman*.

JOSHUA W. ALEXANDER, Missouri.

RICHARD W. AUSTIN, Tennessee.

WILLIAM C. REDFIELD, New York.

C. BASCOM SLEMP, Virginia.

WALTER I. McCOY, New Jersey.

HORACE M. TOWNER, Iowa.

ERNEST CORNELL, *Clerk*.

EXPENDITURES IN THE POST OFFICE DEPARTMENT.

COMMITTEE ON EXPENDITURES IN THE POST OFFICE DEPARTMENT, HOUSE OF REPRESENTATIVES, *Monday, June 26, 1911.*

The committee met at 10 o'clock a. m., Hon. William A. Ashbrook (chairman) presiding.

The following members of the committee were present: Messrs. Ashbrook (chairman), Alexander, Austin, Slemph, and Towner.

The CHAIRMAN. I desire to read into the record a letter from the General Fireproofing Co., inclosing a copy of its protest, which has been filed with the Postmaster General:

THE GENERAL FIREPROOFING CO.,
Washington, June 23, 1911.

HON. WILLIAM A. ASHBROOK,
*Chairman Committee on Expenditures of the
Post Office Department, House Office Building,
United States Capitol.*

SIR: We, the representatives of the the General Fireproofing Co., have forwarded to the Postmaster General a formal protest against throwing out all bids for sectional filing devices which were opened in the Post Office Department on the date of June 16, 1911.

We take the liberty of attaching a copy of our letter of protest for the information of your committee, and we ask that it be made a part of the record.

Very respectfully,

CHARLES A. HAMILTON,
WM. T. CARPENTER,
For the General Fireproofing Co.

THE GENERAL FIREPROOFING CO.,
Washington, June 23, 1911.

The POSTMASTER GENERAL.

SIR: As the joint representatives of the General Fireproofing Co., manufacturers of Allsteel office furniture, library, vault equipment, and sectional filing devices, we respectfully set forth that on June 16 we, in response to an advertisement and circular proposal of the Post Office Department, submitted prices on sectional vertical files at which we were and are willing to supply the requirements of the department, as set forth in the aforesaid proposal and advertisement.

The bids submitted were publicly opened and the prices were available to any persons or firms interested.

Our bid was prepared and submitted under the belief that it was and is the purpose of the department to purchase the devices needed, and that it was not for the sole purpose of securing information as to the relative cost of the several kinds of material in the construction of filing cases by various manufacturers.

We therefore earnestly urge that you direct the proper official of your department to purchase the supplies needed from one of the bidders whose proposals were submitted in accordance with the rules and regulations of the Post Office Department.

We protest most emphatically against readvertising for the devices needed, and we insist that in all fairness an award should be made to one of the manufacturers who, not doubting the bona fide proposal of the department, made public prices which would not otherwise have been submitted for public inspection.

Very respectfully,

CHARLES A. HAMILTON,
WM. T. CARPENTER,
For the General Fireproofing Co.

TESTIMONY OF MR. FRANK C. ROACH—Continued.

The CHAIRMAN. Mr. Roach, you were before this committee a few days ago?

Mr. ROACH. I was.

The CHAIRMAN. I would be glad to have you tell the committee whether or not you, or the firm with which you are associated, deals in all-steel and semisteel filing devices?

Mr. ROACH. We manufacture quartered oak and mahogany filing cabinets, and wherever we do use metal parts, aside from trimmings, it is only for economy of space and not for any particular value of metal in the matter of fire protection.

The CHAIRMAN. What do you say as to the merits of the semi-steel filing devices as compared with the all-steel devices?

Mr. ROACH. From what observation I have had, and from the principle of the conduction of heat, I can not see where the semisteel device has any advantage over the all steel. The more metal you have in the body of any article which is manufactured the greater chance there is for the conduction of heat, because as the metal parts are added they afford that much more opportunity for the heat to be transmitted from compartment to compartment.

The CHAIRMAN. Do you believe there is any protection in all-steel construction over wood filing devices?

Mr. ROACH. Not a particle. As a matter of fact, our experience has shown that the hardwood case offers a greater resistance to fire than the metal does, so far as the preservation of the contents of the case is concerned. I would like to submit some data in that connection for your information, as long as you have asked me that question. Here are two photographs taken of a recent so-called fire test that was held before the Committee on Public Buildings and Grounds.

The CHAIRMAN. In this city?

Mr. ROACH. Yes, sir; in this city. The test was originally intended to illustrate the advantages of certain fire extinguishers. The shed was filled with kindling and excelsior, and there in the rear of the shed, where the fire was the hottest, one of our quarter-oak filing cases was placed. Just in front of it there was a four-drawer all-steel vertical filing cabinet, made by the Globe-Wernicke Co., and I am informed that it was a case which had an air chamber. There in front of the photograph is shown a case which was placed by the General Fireproofing Co., and immediately behind that case was placed a frame end case made by the Art Metal Construction Co., with double compartments, because it was a double-drawer case. The second photograph shows where the fire was burning, and that this case that was put in there by the General Fireproofing Co. was not placed there, whereas our case and the case made by the Globe-Wernicke Co. were right in the heat of the fire. When the fire was over our case was not destroyed, but the panels were burned through, and the metal case which stood beside it was so badly buckled and warped that it was useless, and the contents were entirely destroyed, caused by the spreading of the sides of the drawers admitting access of the flames to the contents.

Mr. ALEXANDER. What was the condition of the contents of your case?

Mr. ROACH. I did not have anything in the case, sir.

The CHAIRMAN. What was the condition of the interior of the drawers in the case?

Mr. ROACH. The drawers on the side, that is, inside of the drawers, were not burned. From the appearance of the case after the fire, we estimated that the damage was done as much by the force of the streams of water played on the case, which drove the panels out, and we can not say that they were burned through, although I think they possibly were. Here is a photograph taken of the recent results of the fire in the Pension Office.

Mr. TOWNER. Where was this test made?

Mr. ROACH. In the court of the Senate Office Building.

Mr. TOWNER. That is the test that was held before the Committee on Public Buildings and Grounds?

Mr. ROACH. Yes, sir.

Mr. TOWNER. Sometime during the month of May?

Mr. ROACH. Yes sir; in this instance here [indicating by photograph] there was a fire which did damage estimated at somewhere about \$6,000. The case you see there contained 125,000 cards.

Mr. AUSTIN. Can you tell me what was the decision of the Committee on Public Buildings and Grounds on the test that was made over at the court of the Senate Office Building?

Mr. ROACH. I have heard various expressions, sir, but the general opinions that I heard expressed were to the effect that it was not by any means a test.

Mr. AUSTIN. Really, is it not a fact that they decided that the steel filing cases were superior?

Mr. ROACH. Not to my knowledge, sir. When this fire was over [indicating on photograph] every card was found to be in perfect condition.

Mr. AUSTIN. Is it your argument that wood will resist fire better than a steel case?

Mr. ROACH. Yes, sir; it affords better resistance so far as the preservation of its contents is concerned.

Mr. AUSTIN. Would anything be left in a case of that kind? Where you had a wooden filing case containing valuable documents, would anything be left in such a case?

Mr. ROACH. This photograph I have just shown you is of a case that was in the office of the pension agent in this city.

Mr. AUSTIN. Now, the Government has for a number of years been equipping the Government offices with steel filing cases. Now, is it possible that they have been making a mistake in this regard?

Mr. ROACH. I will read you a letter from a concern, the Victor Safe & Lock Co., of Cincinnati, Ohio. The letter is dated February 15, 1911, and reads as follows:

CINCINNATI, OHIO, *February 15, 1911.*

YAWMAN & ERBE MANUFACTURING CO.,
Rochester, N. Y.

GENTLEMEN: We have received one of your mailing cards, "What really happens in case of fire," which is deserving of special laudatory comment. You have proven an exception as an exponent of truthfulness in connection with the comparative difference between the protective virtues of wood and metal filing cabinets. Furthermore, you place credit where credit is due, by saying that it is only in vaults and heavy safes that absolute protection is given against destructive fires.

It is refreshing and a relief to read in print the simple and effective arguments you advance. You may be interested to know that years ago, when the manufacture of

fireproof safes was in its infancy, the filling was usually composed of wood or sawdust. This substantiates your assertion that wood as a nonconductor of heat is far superior to metal, and while the outside of a wood cabinet may even become charred, there is no danger of sufficient heat being transmitted to the interior to injure the contents. Can anyone imagine the same result in a steel or metal cabinet "which has reached a white heat"?

We have never even advocated the use of thin-wall safes which several other manufacturers recommend as fireproof, because, even though the walls measure from 2 to 3 inches thick, they are not heavy enough or do not contain sufficient fireproof filling to preserve their contents in a conflagration.

Certain manufacturers of steel cabinets have appropriated claims which apply only to regularly constructed fireproof safes and the time is approaching when there will be an awakening after purchasers discover that the goods have been misrepresented, although the penalty of the mistake is likely to fall where it least belongs.

You are doing a great service for the public by showing the fallacy of the many extravagant claims that are made for metal cabinets. At present the manufacturers are treading on new ground and may not realize the extent of their responsibility, but in time they will modify their claims, although, more than likely, not until actual revelations force them to it.

Yours, very truly,

THE VICTOR SAFE & LOCK CO.

Mr. AUSTIN. You are speaking about the material used in these cases, or sawdust filling?

Mr. ROACH. Yes, sir.

Mr. AUSTIN. I thought they used asbestos.

Mr. ROACH. The letter says:

You may be interested to know that years ago when the manufacture of fireproof safes was in its infancy, the filling was usually composed of either wood or sawdust.

Mr. ALEXANDER. And afterwards they used some kind of cement and plaster of Paris. They use that as a filling.

Mr. AUSTIN. Referring to this test over at the Senate Office Building, was that a fair test?

Mr. ROACH. It is not so regarded, and I do not so regard it myself.

Mr. AUSTIN. What was the objection to it?

Mr. ROACH. When you build a structure which is unlike any building that is raised for ordinary purposes, made wholly of wood, with no plaster, with no walls, and with its ceiling of wood—in fact, in this case it was a structure composed entirely of wood, with two sides and back and ceiling. When into that structure you throw a great quantity of seasoned kindling wood, large quantities of excelsior, and then throw on some 5 to 10 gallons of coal oil, you may expect that almost anything that can be destroyed will be destroyed if it is put in there.

Mr. AUSTIN. That test was just as fair for the wooden filing cases as for the steel filing cases, was it not?

Mr. ROACH. No, sir; because the cases used in the test were not placed in positions where the test would be equally applied to them. The metal case which was placed where the wooden case was, was destroyed, so far as further usefulness was concerned; that is, it was absolutely destroyed. But the metal case which was furnished by the General Fireproofing Co., of Youngstown, Ohio, was placed at the front of this structure and was entirely away, as this photograph will show, from the flame.

Mr. ALEXANDER. And the photograph further shows that there was excelsior on top of this case here [indicating] and nothing around it, and of course the hot flame did not go down into it.

Mr. ROACH. The comparison comes in when you examine these two cases that were placed side by side, one of oak and one of steel, and ~~in~~ in the fire was over neither of them was worth anything at all

Mr. AUSTIN. That was the test witnessed by the subcommittee on Public Buildings and Grounds, of which I am a member, but I was not present at the time. However, I am informed that the subcommittee was of the opinion that that fire demonstrated the superiority of the steel filing case.

Mr. ROACH. That photograph shows the condition before the fire was started. This case here [indicating] which was hardly damaged was right where there was no fire. The case back there [indicating] was a case within a case. It was not an ordinary steel filing cabinet. You can see here [indicating] the back of the middle case was destroyed.

Mr. AUSTIN. What are these letters for [indicating on photograph]?

Mr. ROACH. They are for my personal reference. The fire was burning entirely off from that case [indicating].

Mr. AUSTIN. Where is the wooden case?

Mr. ROACH. Back there [indicating]. There is the middle case which was destroyed, and that is the wooden case right back of that in the most intense part of the fire. I would like to file for your further information this pamphlet, entitled "Factories and Their Fire Protection, a Tract for Architects and Builders," by Franklin H. Wentworth, published by the National Fire Protection Association, 87 Milk Street, Boston. The facts, as stated in this publication, show that when a mill roof was to be erected, they found themselves short one 10-inch steel beam, and, so as to complete the building in time, they put in a wooden beam. It happened that the mill was destroyed by fire, and after the fire it was found that all the steel beams were warped and twisted out of shape, and that the wooden beam was practically the only one that was anywhere near in alignment. When they rebuilt the mill, they used all wooden beams. There is another illustration in a fire that occurred in Buffalo. That [indicating] is an exact reproduction of a photograph. These cases shown are of our manufacture, made of oak, and when the fire was put out, the cases which had occupied a position in the heart of the fire were all used again, and are still in use in the office.

Mr. AUSTIN. Now, I want to call your attention to a statement in this letter you have read from the Victor Safe & Lock Co.

Mr. ROACH. Yes, sir.

Mr. AUSTIN. And then I will ask you a question. I call your attention to this statement:

You may be interested to know that years ago, when the manufacture of fireproof safes was in its infancy, the filling was usually composed of either wood or sawdust. This substantiates your assertion that wood as a nonconductor of heat is far superior to metal, and while the outside of a wood cabinet may even become charred there is no danger of sufficient heat being transmitted to the interior to injure the contents. Can anyone imagine the same result in a steel or metal cabinet "which has reached a white heat?"

Now, if a wooden filing case was exposed to the same amount of heat that would make in a metal case "white heat," would the wooden cabinet stand it?

Mr. ROACH. That is a very difficult question to answer.

Mr. AUSTIN. Is not that an unfair comparison in this letter as between the merits of the two propositions?

Mr. ROACH. I think not, sir. The point they make there, I take it, is the difference between totally destructive and partially destruc-

tive fires. You can heat a piece of metal of the thickness that is used in the construction of ordinary filing cabinets to a degree of heat which will produce combustion if any ordinary combustible thing is placed on top of it, but the same heat will burn through hardwood of the thickness that is used for the exterior of a quartered oak filing cabinet without producing that sort of combustion. The point of the whole situation is that any fire which is hot enough to destroy the contents of a wooden filing cabinet or burn it all up will, long before that stage has been reached, destroy the contents of a steel cabinet, because metal is a conductor of heat and transmits it to the contents.

Mr. AUSTIN. I do not believe you can convince me that wood will stand fire better than steel.

Mr. ROACH. Well, I am willing to make a private demonstration of the proposition, sir.

Mr. AUSTIN. I will be very glad to see it.

Mr. ROACH. Yes, sir, if you will arrange the time and place.

Mr. AUSTIN. I think you people should do that, because you are attempting to prove that the Government has made a mistake, and and that private people who are purchasing the steel filing cases are making a mistake.

Mr. ALEXANDER. In my judgment, the only way to make a fair test would be to put these devices in a closed room, say, a wooden device on one side and a steel device on the other, and then start your heat equidistant from both, and let it become gradually hotter up to a certain point in order to show which case will give away first. Of course, a very intense heat will destroy both, but there is a point at which one will give way before the other. One will warp and twist, and I think it is true that wood is not as great a conductor of heat as metal. My candid opinion is that if a metal case, a counterpart of this wooden case, was placed here [indicating] and heat was to be admitted to this room, that the metal case would give way before the wooden case, and that the contents of the metal case would be destroyed before the contents of the wooden case would be destroyed. But there is only way to determine that, and that is by gradually introducing heat and making observations from time to time.

Mr. ROACH. There is one thing I neglected to say the other day on this wood versus metal question, and that is, in case of heat the frame of the metal case will be forced apart at the joints, and the contents of the case will be thrown out into the fire.

Mr. AUSTIN. Probably any kind of a filing case would be destroyed by a fire sufficient to destroy the building, and I know the steel filing case has decidedly the advantage in the matter of keeping it free from dust and in order. As to which would resist fire longer, I do not know, and I am open to conviction on it.

Mr. ROACH. The best we can point to is what has already happened. There are two photographs taken after a fire [exhibiting them].

Mr. AUSTIN. This is the wooden case here?

Mr. ROACH. Yes, sir. You notice the general devastation.

Mr. SLEMP. I should think that the wooden case would add to the conflagration, while the steel case would not.

Mr. ROACH. If the fire is totally destructive, they would, but most fires are not totally destructive, and it is the invasion of the fire that

must burn through the wood in the first place. This is hard wood, you know, and it is rubbed down with pumice stone oil.

Mr. SLEMP. Could not the test be better made by having the fire outside of the room and the heat introduced from an outside room? If the heat is generated in the same room in which the cases are located, the wooden case might add to the conflagration, but if the heat came from an outside room, then the question of which was the better conductor of heat would be very important.

Mr. ROACH. I think you would not have a reproduction of a fire under the average conditions under which fires occur.

Mr. SLEMP. There would be two conditions under which a fire might occur—one where the fire starts in the room and one where it originates outside of the room. There would be two kinds of fires.

Mr. ROACH. I do not think you could have the fire wholly outside of the room and test the comparative merits of metal and wood.

Mr. SLEMP. I was considering a case where the fire might originate in an adjoining place.

Mr. ROACH. That would be a most unusual condition.

Mr. AUSTIN. What is the difference in the cost of steel filing cases and wooden filing cases?

Mr. ROACH. They average about the same, if you are inquiring into the question of economy—

Mr. AUSTIN (interposing). That is the question with this Democratic Congress; it is the question of economy.

Mr. ROACH. The moment a metal case is damaged, it can not be repaired, unless it is returned to the factory it came from, or sent to some metal worker to be hammered out from the inside. If the enamel is chipped or broken, that can not be repaired readily. On the other hand, a wooden case can always be repaired.

Mr. AUSTIN. Are you in any way connected with this protest filed with the committee?

Mr. ROACH. What protest is that?

Mr. AUSTIN. The protest of the General Fireproofing Co., of Youngstown, Ohio.

Mr. ROACH. I am not.

Mr. AUSTIN. You just want the Government to adopt the wooden filing cases rather than steel, do you not? You represent that line of furniture. I wish you well, because I represent a hardwood lumber district, and we do not make much steel down there, but I do not believe that wood will resist fire as well as steel. If you will have a test of that, I will be glad to attend, even if the thermometer is 103° in the shade.

Mr. ROACH. I will be glad to satisfy your desire in that respect.

Mr. AUSTIN. The only way to demonstrate it is by a practical test.

Mr. ROACH. These photographs are of practical tests; they show the results of actual tests.

Mr. AUSTIN. I do not know that that was a fair test, and I would like to see a fire where a wooden filing case and a steel filing case were in the same room, subjected to the same conditions, and then go through and make an examination. That is the fair way to do it. I do not know what the conditions were with reference to these tests. The fire department may have thrown a great deal of water on this filing case, and you might come along with another picture that might

show the same results, under similar conditions, with a steel filing case, and we would still be in doubt as to the relative merits of the two cases.

I want to ask a question or two about that protest you put in the record this morning, Mr. Chairman. I was not at the previous hearing, and I want to ask what reason the Post Office Department gave for rejecting all these bids?

The CHAIRMAN. I do not understand that they have done so. The bids are in the hands of an advisory committee, and the protest is made to this committee. I asked Mr. Weed to suspend the awarding of the contracts until an examination could be had, and I understand that the awards have not been made.

Mr. AUSTIN. Is there any claim on the part of Mr. Weed or any of the officials of the Post Office Department that there is a combination among the bidders?

The CHAIRMAN. There is no charge on the part of Mr. Weed.

Mr. ALEXANDER. The question is this: The semisteel device was a device of the Globe-Wernicke people; it is their stock device, and is not manufactured by any other company, and for that reason the other bidders were placed at a disadvantage by Mr. Weed in his specifications. I think it is the view that they ought to readvertise and make the specifications broad enough to let all these men in and compete.

Mr. AUSTIN. We come back to the proposition that the Government ought to change the patent laws so that when the Government wants to choose any patented article there should be competitive bidding on it.

Mr. ALEXANDER. That would not be necessary in this case.

TESTIMONY OF MR. C. W. NORTON—Continued.

The CHAIRMAN. Mr. Norton, you were before the committee a few days ago giving some expert testimony as to the merits and demerits of wooden filing devices as compared with all-steel devices, and, at that time, owing to adjournment, you were not permitted to complete the evidence which you wished to present to this committee. We will, therefore, be glad to have you introduce any additional evidence or testimony you wish along this line.

Mr. NORTON. There were just two points that I did not cover in my testimony the other day in reference to the matter of the merits of solid oak cases against metal cases. In order to demonstrate what I have to say, I have brought up these samples to show the committee [exhibiting samples]. I might mention the fact that the metal used in steel sections—I prefer to change that to metal sections—is known as Nos. 16 or 13. These [indicating] are heavy gauges which are used in the sides of metal filing cases. I have also some samples here that will show the thickness of this, that is, the thickness of the metal that is used in the sides of a metal filing case. Now, it must be remembered that in determining the measurements of the steel in these cases, the higher the numerals go the thinner the metal, that is, 22 and 24 inch metal would be considerably thinner. I neglected to mention in my testimony that the front of these card cabinets, or drawers, were 22 and 24 inches.

Mr. SLEMP. I think you had better mention in your testimony what the dimensions are exactly in the other kinds.

Mr. NORTON. That is standard, and can always be determined. Now, testimony was given by the representative of one of the metal concerns that they used double walls on the front and sides; that there were two walls in front, which is always exposed to the fire, and which would come in contact with the blaze. Now, these walls are constructed of that metal there, No. 22 [indicating], and there is an air space of only five-eighths of an inch between the two. Now, as I mentioned to the committee in my previous testimony, this appeared to be on the other construction, but I think an experiment could be readily made on any number by anybody who wanted to hold a candle to it and make the observations. If you put the candle in it here [indicating] it would not take but a few seconds for it to heat right here [indicating]. As I said, there is an air space here of only five-eighths of an inch between the two plates. If you should apply the heat to the outside, how long would it take to transmit the same heat to the interior, and how long would it take for combustion to set up on the inside here [indicating]? I think, by actual experiment, it could be easily demonstrated that the contents of the metal filing case would be destroyed by the combustion.

Now, the metal filing companies are manufacturing cabinet safes, and they are making the statement that they are intended to protect the contents of their metal filing cases. I was informed a few days ago by a gentleman—that is, the general manager of the General Fireproofing Co.—that they would shortly have on the market a small safe. In this safe these two pieces of metal [indicating] are lined with asbestos on each side, so as to form an air-tight chamber; in other words, it is to be a vacuum. In that connection, I want to read you from the catalogue of the Globe-Wernicke Co., which gives a description of a cabinet safe they manufacture. It reads as follows:

Both outer and inner walls are lined with asbestos, and additional protection is insured against fire by incased air-tight chambers in which combustion is impossible.

Now, I read from page 11 of the same catalogue:

In addition to the protection against loss by fire, water, theft, and the ravages of dirt and vermin, the purchaser of a Globe cabinet safe gains this decided advantage of securing a cabinet of such dimensions as to exactly admit the Globe-Wernicke steel filing cabinet unit.

Now, I have made a little computation of the cost on this particular proposal figured for the Post Office Department, to insure the contents against loss by fire by the adoption of the cabinet safe, which would be necessary, inasmuch as the admission is directly made that metal cabinets do not afford this protection, and that it is necessary to incase them in the safe, so as to form, instead of the two walls of thin metal in the case, two walls of thick metal, two walls of thin metal, two walls of asbestos, one air-tight chamber, and one air chamber. I find that the 108 sections, at a cost of \$18.50 for a section, would require 27 of these safes at a price of \$70 each, making a total of \$1,890, or a total cost of \$3,880, in order to give the department insurance against damage or loss by fire.

Mr. SLEMP. Would a safe of that kind be considered absolutely fireproof?

Mr. NORTON. It is represented by the manufacturers of the metal safe cabinet as fireproof. That is a question, however, that has to be determined by a test.

Mr. SLEMP. But it would not be quite fair to make a comparison between that steel device and a device that was absolutely fireproof?

Mr. NORTON. Between what other steel device?

Mr. SLEMP. The others that do not have the arrangements you mention there.

Mr. NORTON. I do not quite understand you.

Mr. SLEMP. I understand that some of the steel devices are not constructed like those that you mention there, with the asbestos backing.

Mr. NORTON. Only these cabinet safes are so constructed. The all-metal sections are made of thin walls of metal, such as I have shown you. They are made with only a five-eighths-inch air chamber between the two walls.

Mr. SLEMP. It was not quite clear in my mind. I may not have grasped what you were driving at; that is, whether you are representing one kind or two kinds of steel devices.

Mr. NORTON. All kinds that have been brought out——

Mr. SLEMP (interposing). Are you describing one or two devices that have been offered under this proposal?

Mr. NORTON. I am making this comparison because they are all built upon the same gauge; that is, the same construction.

Mr. SLEMP. The one that cost \$18.50 per section?

Mr. NORTON. I am basing the comparison on the one made by the Globe-Wernicke Co.

Mr. SLEMP. You are comparing the wood devices with each one of these?

Mr. NORTON. With all of them.

Mr. SLEMP. Is it your contention that the wooden device would be better than the device you have just described?

Mr. NORTON. It was my intention in my testimony the other day to show that a distinction should be made between a case which was fireproof and a case which was heat proof, and that to properly insure against destruction by fire, either by direct contact with the flames or after combustion sets in after the interior is heated like an oven, the oak affords a far better protection than metal.

Mr. SLEMP. But it would not if the cabinet safe were used?

Mr. NORTON. Well, we have cabinet safes, and these oak cases could just as well be inserted in this fireproof cabinet as the metal cases.

The CHAIRMAN. Except for the difference in economy of space between the metal and the wood cases.

Mr. NORTON. I brought that out in my testimony the other day, in stating that it is a fact that has been determined by observation that thin metal does not support any more weight by sections, built to any height, where all the inside of the case is made of thicker metal, than wood. In other words, you have a more stable stack of filing cases with wood than you have with thin metal.

There was just one other point I wanted to bring out in reply to a statement by the representative of one of the metal concerns before your committee—that is, that metal cases afforded better protection ~~against~~ vermin than an oak case. I do not know of what extent the ~~committee~~ on investigation of the public buildings has determined

as to the invasion of vermin into the files of the departments, but I may say, as a matter of fact, that the Smithsonian Institution is quartered in a fireproof structure, to the extent that all of the door and window casings are of metal, and every precaution was made against fire on account of the nature of the exhibits in the building. It was the intention to make it absolutely fireproof in every way. There are at the present time being bought for the Smithsonian Institution several thousand dollars' worth of cases, which are to be made for the storage of mounted specimens, and which must, of course, be protected from vermin. These cases are being purchased in India mahogany. The purchasing committee of necessity went into this matter very closely and carefully before deciding to have the cases of this material, and if metal had possessed any additional advantages as making the cases more vermin proof or dust proof, the committee certainly would have considered that in determining to purchase such equipment.

Mr. AUSTIN. You spoke of the East India timber out of which they were making the cases for the Smithsonian Institution. You do not propose to furnish the same kind of material in cases, do you?

Mr. NORTON. No, sir; we do not bid on that class of work.

Mr. AUSTIN. Then, is that the only kind of lumber you can point to as proof against vermin?

Mr. NORTON. I think this particular lumber was selected on account of the figure.

Mr. AUSTIN. Is that the only kind of lumber you can cite to us as absolutely vermin proof?

Mr. NORTON. I have never found in my experience that that was the question in the purchase of filing cabinets. Filing cabinets are intended for the filing of papers merely. Desks might be guarded against on that account for the reason that sometimes paste and food-stuffs are kept on them, but rodents would never be attracted to any filing cases where only papers are filed.

Mr. AUSTIN. Did the officials of the Smithsonian Institution go all the way to East India to buy lumber because that was the only kind they could find that was vermin proof?

Mr. NORTON. I would not say that they adopted it for that purpose.

Mr. AUSTIN. You do not think they would go to the expense of purchasing East India lumber if we had vermin-proof lumber in America, do you?

Mr. NORTON. I do not think they purchased India mahogany for the reasons of any vermin-proof merits it possessed. They wanted that particular grade of lumber.

Mr. AUSTIN. Then I misunderstood you.

The CHAIRMAN. Probably they wanted more expensive material.

Mr. NORTON. I presume they selected it with reference to the figure and its durability. I was asked by Mr. Slep to submit some testimonial letters with reference to our oak filing cabinets.

Mr. AUSTIN. You were making a statement in reference to certain timber being vermin proof, and you cited the case of the Smithsonian Institution. What do you say about the American timber used in these filing cases which were offered to the Government? Are they vermin proof?

Mr. NORTON. Taking our hard oak filing cases, I can not conceive that there would be any more tendency for them to become receptacles for rodents and vermin than metal cases.

Mr. AUSTIN. How about rats?

Mr. NORTON. I think it would be as difficult for a rat to get into a hard oak case as in a metal case.

Mr. AUSTIN. How about waterbugs?

Mr. NORTON. Well, they generally infest records which contain vegetable matter, such as paste, which would scarcely be found in correspondence.

Mr. AUSTIN. Would not steel be entitled to the preference over wood in the matter of rats, waterbugs, and vermin?

Mr. NORTON. I do not see in what way, for the reason that it would be as difficult for vermin to infest hard oak, or a case that is made of hard oak, as a metal case. I do not see how they could get into a drawer unless it was left open. That has never been materially brought up, except when it came up the other day. The previous gentleman read some testimonial letters, and I have a few with me to submit if the committee would like to hear them.

Mr. AUSTIN. Have the representatives of the various filing devices put all of these matters before the various departments before they made purchases and submitted arguments, etc.?

Mr. NORTON. No, sir; the matter has never been brought up before.

Mr. AUSTIN. I was wondering if they had not had similar investigations.

Mr. NORTON. I have never presented the matter to any committee before.

Mr. AUSTIN. You have not submitted these arguments to any department?

Mr. NORTON. Only in the way of general salesmanship.

Mr. AUSTIN. We are now building railroad cars out of steel and substituting steel for wood for that purpose. The question of fire protection is one of the arguments that has been made for the substitution of steel for wooden cars.

Mr. NORTON. I presume, of course, you are familiar with the arguments that enter into it, and that one of the arguments is with reference to the destruction of cars in the case of a wreck. On the other hand, it must be borne in mind that the metal ties used on the Pennsylvania Railroad have caused disastrous wrecks on account of heat contraction, and the railroad has gone back to the use of cypress ties.

Mr. AUSTIN. We are giving up cars constructed of wood and are substituting steel cars, and one of the reasons is that the steel car is not combustible.

Mr. NORTON. I think that is a self-evident proposition, that metal will not burn.

Mr. AUSTIN. Then why would not that be an argument in favor of steel filing cases as well as in favor of steel cars?

Mr. NORTON. A steel car is made of metal so excessively heavy that it will resist heat to a far greater extent than would a filing case of thin metal. Unless every article in the room is made of some fire-resisting property the contents are less safeguarded in a metal case than in a wood case. As I pointed out, the construction of the front of the metal filing cases is very thin metal, and for that reason heat penetrates rapidly, and the only consistent way would be to have all the material in the office of some fire-resisting property. For example, the tables and chairs should be of metal, the floor covering would be of asbestos, the window curtains would be of asbestos, and the window cases and doors would be of metal.

Mr. AUSTIN. What is the difference in the cost of wood and steel filing cases?

Mr. NORTON. Taking it section by section, I presume the difference would not be much; possibly there would be a little excess in the cost of metal over oak. But considered on the basis of maintenance, metal cases are far more expensive, for the reason that they are easily dented and scratched, and much more difficult to repair.

Mr. AUSTIN. They are painted and varnished as the wooden cases?

Mr. NORTON. A wooden case once varnished ought to give a lifetime service.

Mr. AUSTIN. But it does not.

Mr. NORTON. If an oak or mahogany case becomes marred or nicked in any way, it may be repaired in a little time, but if, on the other hand, a metal case becomes dented or requires repairing, it must be sent to the factory to have the dent taken out.

Mr. AUSTIN. But do you not think we ought to take into consideration the preservation of the timber in this country, where everything else is equal?

Mr. NORTON. I think in the case of high-grade office equipment it has served the use of the best grades of white oak.

Mr. AUSTIN. What is oak lumber worth now?

Mr. NORTON. I think white oak lumber is worth 8 cents per square foot.

Mr. AUSTIN. What is it worth per thousand?

Mr. NORTON. I can not say.

I stated to Mr. Slemp that I would be glad to submit some correspondence touching the merits of oak filing cases. I submit a letter addressed to me by Messrs. Blood and Temple, managers, dated May 8, 1911, which reads as follows:

ST. LOUIS, MO., May 8, 1911.

Mr. C. W. NORTON,

Manager Shaw-Walker Co., Washington, D. C.

DEAR Mr. NORTON: I have your letter of the 6th instant, and am pleased to advise that the fire in question occurred in the general offices of the Wabash Railroad, in the Wabash Building, in this city, and it is a positive fact that the solid oak file cabinets, which went through this fire, were in a splendid state of preservation. The wood, of course, was pretty well charred and the contents were more or less discolored on account of the smoke and water, but, nevertheless, none of the papers were destroyed, and in the same office the steel card-index trays were badly twisted on account of contact with the water, and contents practically destroyed.

You will remember some few years ago in our Chicago store, when we were in the John Church Building on Wabash Avenue, we had two cabinets, which went through the big fire in Baltimore, on display in the salesrooms. One of the cabinets was made of the steel construction and plainly showed the effect of the water coming in contact with the hot metal, and it was really a very good example of the advantage of oak cabinets over steel. Right along by the side of this cabinet was a small oak one, which, while it was burned almost through, had the card contents intact. I remember this particularly well because it certainly was an effective selling point in favor of the wood cabinets.

Then, again, the steel-construction cabinets have been on the market for a great many years, and are not now recognized in any of the large commercial houses as being a practical receptacle for filing matter. Most every one of the large houses use either quartered oak or mahogany wood cabinets, which in itself is splendid argument in favor of the wood files.

I hope these suggestions will be of some benefit to you in making up your report, and if there is any further information you want do not fail to command us.

Very cordially, yours,

BLOOD & TEMPLE, *Managers.*
C. E. TEMPLE.

AMERICAN ELECTRIC FUSE Co.,
New York, N. Y., July 22, 1910.

The SHAW-WALKER Co. OF NEW YORK,
New York City.

GENTLEMEN: We inclose order No. 13131 for one toppiece or cover for the section cabinet purchased from you on May 4, 1909, which we trust you will deliver promptly.

This cabinet is the only piece of furniture in my office which was not entirely destroyed by fire on July 2, although the top was blazing and it was as much exposed as the other pieces. Do you use fireproof wood in the construction of your cabinets? Am glad to state that the cards and papers were not damaged, although I fail to understand it.

Yours, truly,

W. B. McCURDY,
General Eastern Manager.

(The witness, Stephen P. Spitz, was duly sworn by the chairman.)

TESTIMONY OF STEPHEN P. SPITZ, OF WASHINGTON, D. C.

The CHAIRMAN. Mr. Spitz, do you reside in this city?

Mr. SPITZ. Yes, sir.

The CHAIRMAN. What company do you represent?

Mr. SPITZ. The Derby Desk Co., of Boston, Mass.

The CHAIRMAN. Are you the local manager of the Derby Desk Co.?

Mr. SPITZ. Yes, sir.

The CHAIRMAN. Mr. Spitz, does your company have a contract at this time with the Post Office Department for the furnishing of any of its supplies?

Mr. SPITZ. We have a contract with what is called the "General Supply Committee," which, I understand, includes the Post Office Department.

The CHAIRMAN. For the furnishing of what?

Mr. SPITZ. For the furnishing of office desks and tables to the various local Government departments.

The CHAIRMAN. How long have you had that contract?

Mr. SPITZ. This is the second year. The first contract took effect on July 1, 1909.

Mr. AUSTIN. You mean the departments of the General Government?

Mr. SPITZ. Yes, sir; the General Supply Committee.

Mr. AUSTIN. The local government is the government of the District of Columbia.

Mr. SPITZ. Well, not for the District of Columbia; they have their own contracts.

The CHAIRMAN. Your contract, then, is for office desks?

Mr. SPITZ. Yes, sir; and for high grade tables they buy under the contract. They have two grades of tables in the contract.

The CHAIRMAN. Did you have this contract to furnish desks and tables at the time that the Postmaster General's office was refurnished?

Mr. SPITZ. Yes, sir.

The CHAIRMAN. Did you have any invitation on the part of anyone to furnish the desks or tables for the Postmaster General's office?

Mr. SPITZ. I did not.

The CHAIRMAN. Did you have an opportunity to bid on these furnishings?

Mr. SPITZ. I did not.

The CHAIRMAN. You had the contract to furnish desks and tables, and yet when the desks and tables were purchased for the Postmaster General no invitation or opportunity came to you to supply the Post Office Department?

Mr. SPITZ. No, sir, but at that time we did not have the contract for tables; we only had the contract for desks. From July, 1909, to July, 1910, we had the contract for the desks, and from July 1, 1910, to July 1, 1911, we had the contract for desks and tables.

The CHAIRMAN. Do you know about how many desks were purchased for the Postmaster General's office at the time it was refurnished?

Mr. SPITZ. I do not know; I tried to get the information, but some way or other I could not get an exact line on what there was, except that it was Circassian walnut.

The CHAIRMAN. Did you make any inquiry of the purchasing agent of the Post Office Department, Mr. Weed, as to why you had not been furnished an opportunity to submit prices on these desks?

Mr. SPITZ. I did not make any direct inquiry of Mr. Weed, as I called on several occasions and he was busy, but I did talk with Mr. Davis.

Mr. AUSTIN. Who is Mr. Davis?

Mr. SPITZ. I assume that he is Mr. Weed's chief clerk.

Mr. ALEXANDER. The testimony shows that he is the assistant chief clerk.

Mr. SPITZ. I made inquiry if any furniture of that kind had been purchased. I had heard of it; it came to me from headquarters that there was something of that kind going on, or that an order had been placed. I stated that I would like to know what had been done, and they advised me at that time that nothing had been done, and that there was no such amount of money available. I dropped the matter for some little time, and then had an occasion to have an interview with Mr. Holmes regarding the matter of the purchase of desks for which we had the contract, and the information I got was that something had been purchased up there, but that it was no such amount as our report had given us to understand it was.

The CHAIRMAN. What was your report as to the amount of the purchase?

Mr. SPITZ. Well, I think \$8,000 or \$10,000.

The CHAIRMAN. How long after you had your conversation with Mr. Davis was it before you had your conversation with Mr. Holmes?

Mr. SPITZ. It was the latter part of September; it was either the latter part of September or the early part of October, 1910.

The CHAIRMAN. When you had the conversation with Mr. Davis?

Mr. SPITZ. No, sir; not with Davis.

The CHAIRMAN. When did you have the conversation with Mr. Davis?

Mr. SPITZ. I should say, to the best of my recollection, about July or August, 1910.

The CHAIRMAN. Do you know whether or not these supplies had been ordered or purchased at the time that Mr. Davis told you that nothing had been done?

Mr. SPITZ. I do not, except that I heard that such an order had been placed.

The CHAIRMAN. At the time you made the inquiry of Mr. Davis you had heard that the order had been placed, and he informed you that it had not been placed?

Mr. SPITZ. Yes, sir.

The CHAIRMAN. Did you make any other effort to protect your company in its rights under the contract with the Post Office Department or the General Supply Committee?

Mr. SPITZ. As I understand it, that was a matter of special furniture. I understood that something of a higher type or better grade was desired than we had under the contract. Naturally, after the contract was placed, I usually make it a point to go after the next one instead of trying to dig up something that is already settled.

The CHAIRMAN. Do I understand that the desks and furniture purchased for the Postmaster General's office were of a better grade and quality than you were able to furnish?

Mr. SPITZ. No, sir; not better than we were able to furnish, but for which we had the contract.

Mr. AUSTIN. Your contract covered what kind of furniture?

Mr. SPITZ. Quarter-sawed oak furniture.

Mr. AUSTIN. Could you have furnished desks of Circassian walnut?

Mr. SPITZ. Yes, sir; we make a specialty of high-class furniture of mahogany, etc.

Mr. AUSTIN. Do you know who secured the contract for furnishing this furniture?

Mr. SPITZ. The Globe-Wernicke Co., I understand.

Mr. AUSTIN. Do you know whether they manufacture Circassian walnut?

Mr. SPITZ. They make filing cases, but I understand that their desks are manufactured by other concerns, as well as chairs.

Mr. ALEXANDER. Do you know what concern furnished the desks and tables and chairs and the furnishings that were made of Circassian walnut for the Postmaster General's office?

Mr. SPITZ. I understand that Doteman and Dunton furnished them.

Mr. AUSTIN. Under your contract you were not entitled to this work, were you?

Mr. SPITZ. That is a question for the department, I should say, to determine.

Mr. AUSTIN. I am asking you the question.

Mr. SPITZ. We had the contract to furnish quartered-oak desks.

Mr. AUSTIN. Then, under the contract you were not entitled to this?

Mr. SPITZ. No, sir, we had a contract for quartered oak.

The CHAIRMAN. Do you know whether you could have furnished these desks, tables, chairs, and davenport in Circassian walnut as cheaply as they were furnished by the Globe-Wernicke Co.?

Mr. SPITZ. Yes, sir; for the reason that our company is more of a direct manufacturing proposition than a retail proposition.

Mr. ALEXANDER. Have you ever examined that furniture?

Mr. SPITZ. I have not.

Mr. AUSTIN. Do you know whether they paid too much for it or not?

Mr. SPITZ. I can not say.

Mr. AUSTIN. Do you know whether they paid more for it than you would have charged for it?

Mr. SPITZ. I can not say.

Mr. AUSTIN. Then why do you say that you could have furnished it cheaper?

Mr. SPITZ. I said we could have furnished it as cheaply.

Mr. AUSTIN. How do you know that you could have furnished it as cheaply?

Mr. SPITZ. I simply know that from experience.

The CHAIRMAN. If your company and the other companies had had an opportunity to bid on these furnishings, do you suppose it would have resulted in better prices for the Government than if given out to the Globe-Wernicke Co. without competition?

Mr. SPITZ. That the Derby Desk Co. would have made better prices?

The CHAIRMAN. Well, if the Derby Desk Co. and the other similar concerns had had an opportunity to make a bid on these particular furnishings, which were awarded to the Globe-Wernicke Co., would it have resulted in better prices for the Government?

Mr. SPITZ. I would say that that is the usual case; that when competition is invited the prices are lower than when there is no competition.

Mr. AUSTIN. This furniture was of a certain design which required special manufacture?

Mr. SPITZ. I understand so.

Mr. AUSTIN. And as to sizes?

Mr. SPITZ. I can not say about the sizes.

The CHAIRMAN. Have you had any dealings with Mr. Stevens, the expert of the Treasury Department?

Mr. SPITZ. I have in connection with the fiscal year contracts.

The CHAIRMAN. Have they been satisfactory?

Mr. SPITZ. Well, in the business I have had on up there it unfortunately happens that we have been a little higher, and the contracts do not come my way, but otherwise I have had no reason to complain of what business I have had with him in the Treasury Department.

Mr. AUSTIN. You lost out there and you might have lost out on these furnishings for the Postmaster General's office?

Mr. SPITZ. I might have; we can not tell what will happen.

Mr. ALEXANDER. Your complaint and the complaint of the other manufacturers is that you did not have a chance to bid on it? Mr. Weed took the matter in his own hands and let the contract to the Globe-Wernicke Co., who are not manufacturers of this furniture, without competition, without giving any other concern a chance to bid, and it is fair to presume that they got their own price, is it not? You say that you could have furnished this Circassian walnut furniture as cheaply as the Globe-Wernicke Co.? I understand you represent manufacturers, while the Globe-Wernicke Co. are not manufacturers. They are not manufacturers of that class of furniture themselves. The manufacturers of the furniture had their profit, and the Globe-Wernicke Co. had to have their commission, whereas if they had dealt with you directly that middle man would have been eliminated, and it is fair to assume that you could have sold the furniture as cheap or cheaper than the Globe-Wernicke Co.?

Mr. SPITZ. Their reason possibly is that we were high on the Treasury Department. We have had our eye teeth cut in that sort of work. We like to bid on it, but when our goods go all around the country and undergo an overtechnical examination in con-

nection with medium-priced articles, we do not care to take a chance. We do not care to take the chance of having a lot of our desks sent out here to Reno, Nev., and have to replace the tops on them because of two little indentations in the edge of the top, and that is why our prices have been a little high on that work.

Mr. ALEXANDER. Your prices to the Treasury Department have been higher than to the Post Office Department?

Mr. SPITZ. Yes, sir.

Mr. ALEXANDER. On similar goods?

Mr. SPITZ. Yes, sir; it costs us more to handle them. Here we have our own organization, and we get our stuff in carloads, and we handle it at the minimum expense. In this other business we are at the mercy of larger concerns out in Des Moines, Iowa, or wherever it may be. The man who hauls it up charges us whatever he wants to, and the voucher will not be certified and paid for.

Mr. AUSTIN. Other firms are taking it?

Mr. SPITZ. Exactly.

Mr. AUSTIN. And for less money than you propose?

Mr. SPITZ. In that instance, yes.

Mr. AUSTIN. How many bids were under yours?

Mr. SPITZ. I do not recall that; possibly three or four.

Mr. AUSTIN. Is there ever any combination between the bidders on Government supplies, on furniture?

Mr. SPITZ. Not during my experience in Washington.

Mr. AUSTIN. You do not know of any, then?

Mr. SPITZ. I do not.

The CHAIRMAN. Is there sharp competition, between the several concerns represented here, to secure the business of the Government?

Mr. SPITZ. To my knowledge there is exceedingly severe competition.

Mr. AUSTIN. You are working on a salary for the manufacturer, are you? You are not running a house of your own and getting your commission?

Mr. SPITZ. No; I am working on a salary for the manufacturer.

The CHAIRMAN. Have you ever been asked to bill any goods to the Globe-Wernicke Co. that were supplied to any departments of the Government here in the city?

Mr. SPITZ. In one instance only.

The CHAIRMAN. When was that?

Mr. SPITZ. That was in connection with some leather furniture that was selected by the Customs Court of Appeals; but there was a misunderstanding in regard to the price, so the order never went through.

Mr. AUSTIN. A misunderstanding between you and this company?

Mr. SPITZ. I had nothing to do with the company; between the parties that came in there and inspected it. Then I was to arrange the price with the Globe-Wernicke Co., and there seemed to be a misunderstanding, so the matter was simply dropped, and I guess they sold them something else in place of what they selected in my place.

Mr. AUSTIN. What is the amount of the Post Office Department order from your company, per annum; what would it average?

Mr. SPITZ. This year it has averaged practically nothing; but last year I think it amounted to about, I would say, in rough figures, eight or nine hundred dollars. This year they have asked for goods *as they required them*, I believe.

Mr. AUSTIN. Do you ever fill any orders where there are no competitive bids, and where there is a special design of furniture selected?

Mr. SPITZ. In one or two instances here I believe, in the Government, some one has come in and selected a mahogany desk off of my floor; but almost invariably I have to meet the competition, as they ask for bids in this way: They ask for so and so, or "equal to."

Mr. AUSTIN. You have a standard of prices; you charge them about the same, do you not, where there is no competition?

Mr. SPITZ. It depends entirely upon the amount of the order and the character of the business. If the order is one we are extremely anxious for, and the conditions are such, we figure possibly on a different basis than we do if it is just an individual coming in and wanting a particular desk that happens to be an exceptionally nice thing. But if it is a large contract order, running into a few thousand dollars, and it is a proposition that will give us an exceptional amount of credit, we will go lower. Take, for instance, a contract in connection with the Bureau of American Republics. We put that furniture in there, and that was put in right from a direct factory proposition.

Mr. AUSTIN. That is, a special design?

Mr. SPITZ. Yes; a special design. There was competition on it of the leading people of the country. Davenport of Boston, ourselves, and Bacon. The court of appeals here went into competition in the same way, and so did the Carnegie Institute.

Mr. AUSTIN. Do you know when this order was placed?

Mr. SPITZ. I do not know exactly.

Mr. AUSTIN. Do you know whether it was placed at the time Mr. Davis told you it had not been placed?

Mr. SPITZ. I could not say. The report came to me from Chicago asking me what I knew about it, and I immediately tried to find out.

Mr. AUSTIN. You do not know whether Davis lied to you or not?

Mr. SPITZ. No, sir.

Mr. AUSTIN. Have you any opinion on it?

Mr. SPITZ. I have not, because I did not know. There was no reason; if the order was gone, it was gone.

(The witness was excused.)

The CHAIRMAN. I wish to read into the record a letter from the Fourth Assistant Postmaster General, correcting testimony that he gave before this committee on May 31, as to the amount unappropriated for Rural Delivery Service for the fiscal year 1910.

(The letter referred to is as follows:)

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT POSTMASTER GENERAL,
Washington, June 19, 1911.

HON. WILLIAM A. ASHBROOK,
*Chairman Committee on Expenditures in the
Post Office Department, House of Representatives.*

MY DEAR SIR: In my testimony of May 31 before the Committee on Expenditure in the Post Office Department I stated in answer to one of your questions (see p. 207 of the Hearings) that of the appropriation of \$37,260,000 for the rural delivery service, fiscal year 1910, I thought in the neighborhood of \$900,000 had not been expended. In revising my testimony I made a notation to the effect that the amount was \$360,142.66. It has since been developed, however, that the exact amount of the appropriation that reverted to the Treasury was \$282,290.10, as was given in the tabulated statement furnished to your committee by the Postmaster General. (See Exhibit No. 20, p. 233 of the Hearings.)

Very truly, yours,

P. V. DE GRAW,
Fourth Assistant Postmaster General.

COMMITTEE ON EXPENDITURES IN THE
POST OFFICE DEPARTMENT,
HOUSE OF REPRESENTATIVES,
Tuesday, June 27, 1911.

The committee this day met, Hon. William A. Ashbrook (chairman) presiding.

There were also present Messrs. Alexander, Towner, and Austin.

TESTIMONY OF MR. HENRY L. BECK.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your name in full.

Mr. BECK. Henry L. Beck.

The CHAIRMAN. Do you reside in this city?

Mr. BECK. Yes, sir.

The CHAIRMAN. With what concern are you associated?

Mr. BECK. I am associated with the Library Bureau.

The CHAIRMAN. In what capacity?

Mr. BECK. As salesman.

The CHAIRMAN. As salesman for the Library Bureau, do you have occasion to visit the several departments of the Government?

Mr. BECK. I do.

The CHAIRMAN. Have you, during the past month, had occasion to go to the Post Office Department?

Mr. BECK. I have.

The CHAIRMAN. What do you know, Mr. Beck, regarding a recent proposal sent out by the purchasing agent of the Post Office Department for bids on filing devices?

Mr. BECK. About, I think it was, the 13th day of June I called at the Post Office Department, the purchasing agent's office, in regard to some specifications that had been sent to us to give a price on.

Mr. ALEXANDER. Who was the purchasing agent on whom you called?

Mr. BECK. Well, I think Mr. Barrett. I will not say for sure, but I think it was, and he referred me to the chief clerk's office. I saw Mr. Davis in the chief clerk's office, and I asked Mr. Davis if those specifications were not drawn up; that is, if they were not Globe-Wernicke specifications. That is, they make a case similar to the one; in fact, identically the same as the case they asked prices on, and, of course, I told Mr. Davis that in that case we would not have an equal chance with the competitors on those specifications.

The CHAIRMAN. What did he say?

Mr. BECK. He told me that they were not Globe-Wernicke specifications. I told him they looked very much like them, and that they were making a similar case. He then told me that the specifications were drawn up in the Supervising Architect's Office.

Mr. ALEXANDER. Did he say by whom?

Mr. BECK. No, sir.

The CHAIRMAN. He intended, then, to advise you that he did not have anything to do with the preparation of the specifications, but that they were prepared in the Supervising Architect's Office?

Mr. BECK. Yes, sir; by experts in wood and steel, he told me.

The CHAIRMAN. He told you they were prepared by experts?

Mr. BECK. In wood and steel; expert authorities on wood and steel.

The CHAIRMAN. Was that all the conversation you had with Mr. Davis?

Mr. BECK. That was all; yes, sir.

The CHAIRMAN. Did you make any further inquiry to find out who it was that prepared the specifications in the Supervising Architect's Office?

Mr. BECK. No, sir.

The CHAIRMAN. Did your concern bid on the proposal?

Mr. BECK. Well, I do not think so, but I do not know. Mr. Walcott handles that; he is the manager and he handles all of that; he makes the prices and sends them out himself; I do not have anything at all to do with it.

Mr. AUSTIN. So you do not know whether your company bid on it or not?

Mr. BECK. I do not.

Mr. AUSTIN. Then what is your complaint if you do not know whether your company bid on it or not?

Mr. BECK. What is my complaint?

Mr. AUSTIN. Yes.

Mr. BECK. I gave Mr. Walcott the information; I came back and I told Mr. Walcott that the specifications would have to stand the way they were; that is, I told Mr. Walcott that they wanted prices on the specifications as they were, and Mr. Walcott told me, he said, "Well, I do not think we have very much chance."

Mr. AUSTIN. Why would you not have a chance?

Mr. BECK. Well, because when a competitor——

Mr. AUSTIN (interposing). You were invited to bid?

Mr. BECK. We were invited to bid but we could not have an equal chance as against a man who carried the stuff in stock, whereas we would have to make them up special. They make several hundred of those units at a time, but we would have to make them up special.

Mr. AUSTIN. You say they carry them in stock. I thought these plans and specifications were furnished by the Supervising Architect's Office, prepared there.

Mr. BECK. Well the Globe-Wernicke people are in the habit of making a case like that.

Mr. AUSTIN. I know, but they had nothing to do with the preparation of these plans. You said the Supervising Architect's Office made them.

Mr. BECK. That is what Mr. Davis told me. But at the same time, here is the proposition: If they invite us to bid on a case that is made by a competitor we have not the equal chance the competitor has on the case, because he has the case in stock and carries it in stock, whereas we would have to make the case up specially. We do not make that case and carry it in stock.

Mr. AUSTIN. They do not make the kind you furnish?

Mr. BECK. No, sir.

Mr. AUSTIN. You have an advantage over the other competitor, do you not, where your filing cases are provided for in the specifications?

Mr. BECK. Well, if it were specified that way we would have an advantage to a certain extent; that is, on a stock case.

Mr. AUSTIN. Are your filing cases different from those that you have just mentioned?

Mr. BECK. They are different; yes, sir.

Mr. AUSTIN. You could not very well, then, furnish the same specifications to cover both of these filing cases?

Mr. BECK. No, not hardly.

The CHAIRMAN. Is there any reason why the devices of the Globe-Wernicke Co. are superior to those that your concern manufactures or other concerns engaged in the same line?

Mr. BECK. Well, I do not know about that.

The CHAIRMAN. Is there not a stock device, a stock filing device that all firms carry in stock?

Mr. BECK. Yes.

The CHAIRMAN. Or does each firm have a different style of device?

Mr. BECK. Each firm has a different style.

Mr. AUSTIN. And different patterns?

Mr. BECK. Yes; and different patterns. Of course, our cases would not stack up on a competitor's case nor would a competitor's case stack up on our case—that is, as a rule.

Mr. AUSTIN. Where the department or a corporation or private individual begins to purchase filing cases is it not the rule, when additional filing cases are ordered, to get the same kind as the original pattern? Where you place orders for your filing cases and additional filing cases are needed they buy yours, do they not, instead of going out and getting a different filing case?

Mr. BECK. If they have started with our case and our cases are satisfactory why, I believe, they would order our cases.

Mr. AUSTIN. That is what the Post Office Department has done in this case, has it not?

Mr. BECK. Well, if they wanted to do that we would not have an equal chance with them, but all of the cases then——

Mr. AUSTIN (interposing). And no one would have an equal chance with you, would they, where you have originally placed your filing cases with the department or with a corporation? The rule works both ways, does it not?

Mr. BECK. Well, if they were stock cases, yes, it would work both ways.

Mr. AUSTIN. This is a stock case, is it not?

Mr. BECK. My case is a stock case.

Mr. AUSTIN. And their case is a stock case. Now, their advantage in this matter is that they have secured the original order?

Mr. BECK. I do not know anything about the original order.

Mr. ALEXANDER. I do not know whether you were here when this investigation was begun, but the testimony all shows that these were for a new set of filing cases for the First Assistant Postmaster General's office and not to fill up stacks already commenced.

Mr. AUSTIN. I was not here when the investigation started.

Mr. BECK. I absolutely know nothing about the original order that was placed. I have only been with the Library Bureau in Washington for about two months.

Mr. AUSTIN. Are there any of your filing cases in the Post Office Department?

Mr. BECK. Yes, sir.

Mr. AUSTIN. What department?

Mr. BECK. In the purchasing agent's department.

Mr. AUSTIN. And used there by the purchasing agent in his office?

Mr. BECK. Yes, sir; I saw some of our cases in there.

Mr. AUSTIN. Well, now, if he needed additional ones would he order yours or different ones?

Mr. BECK. I do not know; but if he would send out specifications and ask for bids I should think he would say the library case or equal.

The CHAIRMAN. Mr. Austin, if you had been here from the beginning I do not think you would ask questions along this line. This proposal was for an entirely new filing device and not——

Mr. AUSTIN (interposing). And was only one company or firm to bid on the device?

Mr. ALEXANDER. The specifications for the 75 units were specifications for the Globe-Wernicke device.

Mr. AUSTIN. Did the specifications name that company?

Mr. ALEXANDER. And what they call a stock device; it was the only company that built a device conforming to those specifications. Now, as to the 108 units which were to be all of steel they do not complain about. There were several bids as to the all-steel device, but there was no chance for competition on the other devices, because the Globe-Wernicke Co. made that as a stock device.

Mr. TOWNER. And no other company did.

Mr. AUSTIN. Is there any stock filing case where competitive bids are permitted?

Mr. BECK. Yes; I think they all make a two-drawer correspondence unit.

Mr. AUSTIN. What patent is that?

Mr. BECK. All the different manufacturers make these units, a two-drawer correspondence unit abreast, and I should think if they would ask for bids on two-drawer correspondence units they would all have an equal chance.

Mr. AUSTIN. Is that the kind they asked for in this case?

Mr. BECK. They asked for a combination of wood and steel.

Mr. AUSTIN. Take this particular order. Is there any one filing case that would fill the specifications so that all competitive bidders could have an opportunity to come in and bid?

Mr. BECK. Well, I could not say about that. I am pretty sure they all make a two-drawer correspondence unit.

Mr. AUSTIN. But you say this is not a two-drawer correspondence case?

Mr. BECK. That was not. I do not know whether they would have or not—whether the other men would have an equal chance to figure on that or not. I am just speaking for the Library Bureau. Of course, I do not think any specifications would cover all the different manufactures; they all vary to some extent, but if they would say approximately a certain width or approximately a certain depth and to contain a certain number of papers, then, I think, they would all have an equal chance to figure.

TESTIMONY OF MR. DAVID COMFORT.

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Where do you reside, Mr. Comfort?

Mr. COMFORT. Tifton, Ga., is my home.

The CHAIRMAN. At this time I want to read into the record a letter from Mr. Comfort, addressed to this committee, in which he sets forth that by the adoption of his tying device the Post Office Department can effect a saving of at least \$100,000 per year, and he further complains that he has been unable to secure consideration of his device during the past two years and for that reason desires to submit some facts to the committee for its consideration.

(Said letter is as follows:)

TIFTON, GA., June 16, 1911.

HON. WILLIAM A. ASHBROOK,

Chairman Committee on Expenditures in the Post Office Department,

Washington, D. C.

SIR: For two years we have had before the Postmaster General a proposition to save the department one-half of the annual expense for jute twine, by the use of a tying device which had been tested and approved by thousands of post-office and mail-service employees.

This proposition he has never acted upon, and I have it from what I consider reliable source, the department is now considering the purchase of another year's supply of the jute twine, which is about 40 per cent higher than last year.

The post-office appropriation bill reads \$200,000 for "twine and tying devices" and has been used for twine alone, and the expenditure for the last four years has averaged over \$200,000 per year. By the use of tying devices it can be held within \$100,000 per year.

Respectfully, yours,

COMFORT-BENNOB TIE CO.,
By DAVID COMFORT, *President.*

The CHAIRMAN. Mr. Comfort, you are the manufacturer of a tying device, are you?

Mr. COMFORT. Not the manufacturer, of course. I have them manufactured for me. The cord is made in Georgia and the metal head of the device is made in Waterbury, Conn. I am the inventor and president of the company that owns the patent and have had them manufactured.

The CHAIRMAN. Has this device ever been put to a practical test and used by the Post Office Department?

Mr. COMFORT. It has; in the Philadelphia post office.

The CHAIRMAN. What was the result of that test?

Mr. COMFORT. Why, I personally visited Philadelphia and had a number of friends who visited the place while they were being used there, and I was told that the device was successful in every feature and praised in the most high terms by all of the employees and officers of that post office, and a report was made by that post office to the department. The nature of that report, I surmised, was favorable, but I never saw the report, nor could I ever learn anything of it from the Post-Office Department until you secured the papers which I have been permitted to see. The report of the Philadelphia postmaster is attached to that bunch of papers there, and I would be glad to read that to the committee if they have not read it. May I read it?

The CHAIRMAN. Yes; you can read it, and it will then go in the record.

(Said letter is as follows:)

PHILADELPHIA, June 21, 1909.

HON. C. P. GRANDFIELD,

First Assistant Postmaster General, Washington, D. C.

MY DEAR DR. GRANDFIELD: I beg to say in reply to your favor of June 11, with regard to the tying device introduced to our notice by Mr. David Comfort, assistant postmaster at Tifton, Ga., who brought me a letter from you in the latter part of April, that the tying device has been thoroughly tested in this office, in accordance with

the orders of the department, and that a month's use clearly demonstrates the value of the device as an economical substitute for the twine previously used. It also saves some time and labor, and from a sanitary standpoint is far preferable to any previous method in use at this office.

The particles of fiber, which was the result of the use of twine, were floated in the atmosphere and were inhaled by the clerks to some extent, with an undoubtedly bad effect.

I therefore have no hesitation in saying that, as shown by the demonstration in this office, the device is a success, and its adoption, in our judgment, would be a very desirable action by the department.

Very truly, yours,

R. L. ASHHURST, *Postmaster.*

The CHAIRMAN. I think in justice to the Post Office Department the letter from the Postmaster General relative to the report of the special committee appointed to investigate the question of adopting tying devices should be read into the record at this time, as well as the report.

(Said letter and report are as follows:)

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 21, 1911.

HON. WILLIAM A. ASHBROOK,
Chairman Committee on Expenditures in the Post Office Department,
House of Representatives.

MY DEAR MR. ASHBROOK: Complying with the request in your letter of the 19th instant, I transmit herewith a copy of the report, with accompanying papers, that was submitted to me under date of March 19, 1910, by the committee I appointed on July 24, 1909, to "investigate the question of adopting a tying device in the postal service as a substitute for twine." The committee reported in strong terms against the adoption of such a device, summarizing in support of this conclusion adverse recommendations from leading post offices and from the Railway Mail Service. Philadelphia was one of the two post offices that reported in favor of a tying device. You will find inclosed the copy you desired of the Philadelphia postmaster's communication on this subject, dated June 21, 1909. Reference to it is made in the report of the committee.

Yours, very truly,

FRANK H. HITCHCOCK.

MARCH 19, 1910.

The POSTMASTER GENERAL.

SIR: The committee appointed by your order No. 2445, "to investigate the question of adopting a tying device for use in the postal service as a substitute for twine" have had practical tests made of different makes of devices which were selected out of more than 500 makes submitted for examination. These tests consisted of one week's trial of each make of device in the post offices at New York, Chicago, Philadelphia, Brooklyn, Boston, and Cincinnati, and in the Railway Mail Service. The reports upon these trials received from both branches of the service are largely unfavorable, the few favorable reports giving no convincing reasons for the adoption of a device.

As a result of this investigation, your committee finds that—

(1) There would be a great loss of time, not only in the simple operation of tying and untying, but by reason of the standard length of devices not being adjustable to any sized package of letters, and because of entanglement of devices.

(2) The devices would be unhygienic, gathering dirt and grease, and germs of disease, and transporting them from one end of the country to the other.

(3) A sacrifice of space in crowded cars to provide for hanging up devices would be required.

(4) Owing to the large breakage as well as loss of devices, it is questionable whether the devices would, independent of the above objections, prove more economical than twine which is now being procured at an average rate of 7 cents a pound.

We are therefore of the opinion that no change should be made at this time in the method of tying up packages of letters in the mails, and so recommend: also that this investigation be closed and your committee be discharged from further consideration of the subject.

Respectfully,

C. P. GRANDFIELD.
JOSEPH STEWART.
P. V. DE GRAY.

SUMMARY OF RESULTS OF INVESTIGATION OF TYING DEVICES.

The committee was appointed by the following order:

"JULY 24, 1909.

"Ordered, That Charles P. Grandfield, First Assistant Postmaster General, Joseph Stewart, Second Assistant Postmaster General, and P. V. De Graw, Fourth Assistant Postmaster General, are hereby appointed a committee to investigate the question of adopting a tying device for use in the postal service as a substitute for twine, and to have such practical tests made as may be necessary to determine the utility, durability, and economy of the several devices submitted.

"Upon the conclusion of the investigation the committee will make report to the Postmaster General and recommend such action in the premises as may be deemed advisable and in the best interests of the service.

*"FRANK H. HITCHCOCK,
"Postmaster General."*

Your committee finds that this same general subject was under investigation in 1907 by virtue of an order (No. 387) of Postmaster General Meyer. The committee conducting that investigation, consisting of Messrs. Richard P. Covert, then superintendent Division of Supplies, Samuel M. Gaines, division superintendent Railway Mail Service, and Edward N. Baker, assistant postmaster at Baltimore, Md., rendered a report under date of October 29, 1907, which is hereto attached, marked "Exhibit A," in which, after disposing of the several devices which had been selected for test, they recommended that the proposition of Charles A. Conrard for furnishing to the service a device invented by him be accepted. Particular attention is called to the fact that the recommendation of that committee, in so far as it concerned a change of method, was based entirely upon the calculated economy to be effected and not by reason of any improvement over the method then and now obtaining, i. e., the use of jute twine, it being agreed that twine is the ideal tying device if the question of economy is not involved. It will therefore be seen that the contract price of twine (13 cents a pound at that time) was entitled to and was given great weight in the consideration of the subject.

The Postmaster General did not take favorable action under such report and the general question has again arisen.

Upon the promulgation of your order for a reinvestigation of the subject your committee met and determined upon a line of procedure for the investigation.

A subcommittee consisting of Mr. H. P. Springer, superintendent of mails, in the Washington City post office, Mr. H. A. Shore, assistant chief clerk, Railway Mail Service, and Mr. H. L. Hayes, an employee of the Division of Supplies and formerly a post-office inspector, was appointed to make a preliminary examination and test of all devices received, with directions to list them with a brief description of each and to recommend for a thorough test in the service those deemed most feasible.

The following devices were tested in the service by direction of the committee:

No. 4. Comfort-Bennor Tie Co., Tifton, Ga.

No. 11. United States Tie Co., The Thorpe & Martin Co., 12 Milk Street, Boston, Mass., through Messrs. McGowan, Serven & Mohun, attorneys, Washington, D. C.

No. 21. The Tie Co., Unadilla, N. Y.

No. 23. Simplicity tie, The Universal Package Tie Device Co., Macon, Ga.

No. 25. The Universal Tie Device Co., Macon, Ga.

No. 124. Burt D. Cady, Port Huron, Mich., attorney for Harry L. French, of that place.

No. 177. Charles Grilk, Davenport, Iowa.

No. 467. Moses Hartz, Baltimore, Md. (3 samples, A, B, and C).

There being but slight differences between the three samples "A," "B," and "C," schedule 467, the owner decided to place but one in the test, reducing the number to be tested accordingly.

Twelve thousand (12,000) of each of the devices above listed were supplied to the department by the inventors or those controlling them. All of these were distributed for test throughout the service in the following manner:

To the post office at—

Boston, Mass	1,000
New York, N. Y.	1,000
Philadelphia, Pa	1,000
Brooklyn, N. Y	1,000
Cincinnati, Ohio	1,000
Chicago, Ill	1,000

To the Railway Mail Service:

Kansas City Terminal railway post office	1, 000
St. Paul Terminal railway post office	1, 000
Grand Central Terminal railway post office, New York	1, 000
Pennsylvania Terminal railway post office, Jersey City	1, 000
New York & Chicago railway post office (West Div.)	1, 000
Ogden & San Francisco railway post office	1, 000

To the official in charge of the test at each of these points, a letter of instructions was sent directing him to test each device submitted to him confidentially and separately for one week, and at the expiration of such tests, to report in detail if any of the devices could, in his judgment, be advantageously substituted for twine in the postal service under his charge, and if so to give the reasons on which his opinion was based.

The reports have all been received, and are attached hereto, those of the postmasters at Boston, New York, Brooklyn, Philadelphia, Cincinnati, and Chicago, being marked Exhibits "B," "C," "D," "E," "F," "G," respectively, and those of the Railway Mail points "H," "I," "J," "K," "L."

This report first deals with the reports of the postmasters, then with those of the railway-mail service officials, and concludes with a recapitulation upon the entire investigation.

POST OFFICES.

Boston.—The postmaster recommends the adoption of device No. 11, submitted by the Thorpe & Martin Co., of Boston, agents, his reason therefor being its lightness, durability, facility in handling, and the holding device which accompanied it. (The merit of the holding device should not, it is submitted, be attributed to the tying device.) He is of opinion that the clerks would soon be competent to tie and untie packages of mail matter in less time than it now takes, although in the test the use of the twine proved faster than the devices. Not being sufficiently informed in the premises, he can not venture an opinion on the economic phase of the question, but thinks the life of the device would be long.

New York.—The reports of the postmaster and his subordinates are unanimous and emphatic in their condemnation of tying devices as compared with the use of twine.

Inclosure: Hon. William A. Ashbrook. June 21, 1911. Page 7.

It is stated that in tying up packages twine is faster in the ratio of 3 to 2, and in untying in the ratio of 4 to 1. This feature is the chief basis for the adverse report.

This office also calls attention to the hygienic question involved, it being stated that the continued use of devices covered with dirt, grease, and perspiration would be not only disagreeable to clerks, but would invite contamination by any diseases which might be prevalent in any part of the city or country.

Reference is made to the objection that the length of the twine on the devices confines their use to certain sized packages, necessitating, for larger packages, two devices and two facing slips and a corresponding sacrifice of time, and when used on smaller packages allowing a dangling surplus.

Entanglement is also advanced as an argument against the use of a tying device, and the assertion is made that the services of at least one clerk at an office would be required to straighten out or disentangle devices.

This post office kept track of the losses of each device, and the combined figures show that but 2,608 of the 8,000 devices furnished were returned, and it is stated that "The figures furnished show the number lost in a week's use, which indicates that they can not be recommended any more for economy than for efficiency." The losses were rather evenly divided among the several devices, with the exception that nearly all of the "Simplicity" (No. 23) device were lost, and only about one-third of the "Hartz" (No. 467) device.

The Hartz (No. 467) and the Universal (No. 25) were equal contenders for supremacy in the tests under the supervision of this office.

Brooklyn.—The time consumed by the clerks in adjusting the devices to various-sized packages is much greater than the simple method of cutting off the twine to fit large, small, or irregular packages, as the case might be. The additional labor required and therefore the additional time consumed, and the consequent expense, would more than offset any saving in the cost of material, or in the saving of material, and my judgment is entirely in favor of the continued use of the twine now found to be of good quality.

The Hartz (No. 467) is considered by this office the best of those submitted.

Philadelphia.—The postmaster quotes the findings of various subordinates and bases thereon a recommendation for the adoption of the Comfort-Bennor tie (4). The terms of this recommendation are not in such form as to create conviction, however, inasmuch

as the several officials quoted do not combine on the same features, except that two officials combine in saying, in qualified terms, that good time can be made with it. Stress is also laid on the features of the tightness of the bundle, and the indestructibility of the device (upon which particular points, as set forth hereafter, the device was criticized by other offices).

Cincinnati.—Not knowing the cost of twine or that of the devices, the postmaster confined his report to the selection of the best device, which he believes is the Simplicity (No. 23).

Chicago.—The postmaster believes the use of twine, as at present, is more economical than would be any of the devices, and makes no selection. He objects to the devices on the ground of their easy entanglement, that they are all too light for large bundles, and that the cords are too short.

Reviewing the reports on the tests conducted in post offices, it will be seen that two offices, Boston and Philadelphia, consider the adoption of a tying device feasible and desirable; three offices, New York, Brooklyn, and Chicago, rather emphatically render adverse reports, and one, Cincinnati, merely submits its opinion as to the best device of those tested, not feeling competent, in view of a lack of information on the economic element, to say whether or not a change would be desirable.

If the decision of the question were to be based upon the reports of these postmasters there could be no other conclusion reached than that the adoption of a device would not be desirable from any point of view.

The offices rendering adverse reports, particularly New York, give explicit, detailed, and convincing reasons therefor.

The two offices favoring the devices, Boston and Philadelphia, each select a different device as the best, Boston considering No. 11 the best and Philadelphia No. 4. Furthermore, Boston condemns the device selected by the Philadelphia office in the following terms: "Tie No. 4 is a well-made tie, but very slow and hard to tie if tied tightly. If the packages are not tied tightly with the tie they become untied and delay the mail. The tie is also damaged if stepped upon. The fact of this tie being so slow and cumbersome would make it detrimental to the service." Philadelphia refrains from commenting upon the other devices submitted, merely setting forth the virtues of the device selected, No. 4.

New York and Brooklyn, the only other offices that offered criticisms on each device submitted, both condemned the two devices selected by Boston and Philadelphia. The Brooklyn postmaster says:

"No. 4 is not thought to be of use, because a bundle tied out with this device is very insecure.

"No. 11 caused the greatest entanglement in handling between stations and also does not make a very secure bundle."

The New York office says:

"The Comfort-Bennor (No. 4) is the easiest tied and untied, is provided with the most serviceable braid, is the least likely to tangle, and when tangled the easiest untangled, but when tied with a single cross wrap the string or braid is easily pulled through without releasing the fastening device and packages become loose in transit," and that "The Neverslip (No. 11) breaks and bends easily, thereby becoming unserviceable and the braid quickly wears and breaks where pinched by the device."

RAILWAY MAIL SERVICE.

Kansas City Terminal R. P. O.—Reports received indicate that both railway postal clerks and postmasters are practically unanimous in their opinion that none of the devices can be advantageously substituted for twine in our service.

In report on the relative merits of the devices No. 467 is deemed to be the best by a considerable majority.

St. Paul Terminal R. P. O.—The superintendent of the tenth division sums up the result of the tests made under his orders in these words:

"There is considerable difference in the judgment of clerks and of chief clerks regarding the respective merits of these devices, but the consensus of opinion appears to be that as a rule the use of these contrivances would require more time in tying and untying packages than would be consumed by the use of ordinary twine, and this is an important factor and should receive due consideration on lines where clerks are already hard pressed for time. Of course long experience in the use of these devices would enable clerks to tie and untie packages much more rapidly than on first trial."

Some of the criticisms of different devices are as follows: "Too slow for practical use." "Cord not long enough to tie large packages." "Cords liable to get snarled up, requiring much time and patience in untangling them for use." "Twine too long for small and too short for large packages." "Button on some devices hurts thumb of

operator." The opinion is expressed that devices Nos. 21 and 467 are the best, but most of the clerks who have made the tests express the opinion that none of the devices would be found useful or practicable as a substitute for twine. A portion of the devices have been broken or destroyed in using * * *."

New York Erie Terminal R. P. O.—(Substituted for Grand Central Terminal R. P. O. with the consent of the department); *Jersey City Pennsylvania Terminal R. P. O.*—One report covered the tests made at these two railway mail points, and the conclusions reached are as follows:

"Samples Nos. 11, 21, 25, 124, 177, and 467 are practicable, but the opinion is expressed that samples 25 and 467 would give the best satisfaction for general use if a holder were provided to keep the tying devices in order and to prevent it from becoming scattered and tangled."

No opinion is given as to the comparative merits of the devices submitted and twine.

New York and Chicago R. P. O.—The superintendent of the Ninth Division reports that—

"The ties were used by 20 different crews, and their universal opinion is that while some of the devices hold the packages securely, they are too short for a long letter package and that the time necessary to remove them from packages and taking care of them is about four times as much as is necessary with twine. * * * The question of space is also a very important one in a busy letter car, where every box is in use. It would mean a loss of several boxes to have a supply of ties hanging up ready for use when needed."

"Nos. 25 and 467 are generally considered to be the best of the several kinds tested."

Ogden and San Francisco R. P. O.—There are very few unqualified unfavorable reports on any of the devices. In nearly every instance some qualification of the statement contains interesting matter for the committee.

Twelve favorable reports and nine unfavorable reports were submitted by railway mail clerks on device No. 25, and 11 favorable as against 10 unfavorable reports were submitted on device No. 467. On the other devices included in the test the majority of individual reports were unfavorable.

Summing up briefly the findings contained in the five reports on the tests made in the Railway Mail Service, it appears that there are two reports strongly adverse to tying devices, Kansas City Terminal railway post office and St. Paul terminal railway post office; one report is mildly adverse, New York and Chicago railway post office; one states simply that six out of the eight devices submitted are "practicable," New York Erie terminal railway post office and Jersey City Pennsylvania terminal railway post office combined report; and one is rather noncommittal and indefinite, Ogden and San Francisco railway post office.

In regard to the comparative merit of the different devices one report is silent, four give No. 467 as first or second choice, two give No. 25 as first or second choice, and one gives No. 21 as first choice. The consensus of opinion seems therefore to be in favor of device No. 467.

RECAPITULATION.

In conclusion, the great weight of opinion of both branches of the postal service is not favorable to the adoption of a tying device. The only positive recommendations in favor of a device are those of the postmasters at Boston and Philadelphia, respectively, and even these are not enthusiastic in their form or convincing in their reasons. All the other reports are either noncommittal and indefinite or strongly adverse.

The basis of the favorable reports was, of course, the contemplated saving to be effected through the use of a device which might be used over and over again; it being the almost unanimous opinion of those engaged in the tests that the devices would never prove as facile as the twine.

The CHAIRMAN. What unfairness do you allege?

Mr. ALEXANDER. Suppose we find out what the device is?

Mr. COMFORT. I would be glad to give a practical demonstration to you gentlemen either now or a little later. If you will listen to some extracts from this report and then permit me to give you a practical demonstration, you will understand.

Mr. ALEXANDER. Well, present your case in your own way, but we would like to know at some time what your device is.

Mr. COMFORT. It is a device for tying packages and letters for transmission through the mails.

Mr. ALEXANDER. Well, that does not show what it is. We want to know what the device is. But go at it in your own way and present your case.

Mr. AUSTIN. Tie up a bundle and explain it as you go along; can you do that?

Mr. COMFORT. Yes. The bundle I have in my hand is now tied. It is simply by placing the head of the device under the thumb, passing the cord around the package and around the head of the device, turning the device over and sticking it under the cord.

Mr. AUSTIN. What is the device they are now using?

Mr. COMFORT. At present they are using jute twine.

Mr. AUSTIN. I mean the arrangement for tying it up.

Mr. COMFORT. They just tie the cord around it; some tie in one way and some another, and then they cut or break the cord off; and then when the package is received in the cars or in the office to which it is directed it is cut off and thrown away. However, the department issues instructions that they shall save that twine, straighten it out and use it, and in some places they attempt to do it, but it is a great waste of time to attempt to untie these packages.

The CHAIRMAN. What do you claim is the life of your device?

Mr. COMFORT. Actual demonstrations have shown that the cord will last for more than 1,000 packages of letters. The head of the device is practically indestructible; one device would certainly tie more packages of letters than could possibly be tied by a pound of twine. I do not think anyone would question that.

The CHAIRMAN. What does a pound of twine cost, and what does one of your tying devices cost?

Mr. COMFORT. If you can find out what a pound of twine costs the department, you can do more than I can. I saw from the testimony of Mr. Holmes before this committee recently that he said about a year or more ago it cost 7.7 cents, about; that last year it went up some and this year it was up enormously, about 40 per cent, I believe he said, in reply to questions, and he furthermore stated that they had only made a three months' contract, thinking the twine would go down about October; that the new crop would perhaps be better, the new crop of jute, which he stated was raised in India; he also stated they could not keep within the appropriation at the present price.

The CHAIRMAN. What would be the cost of your device in large quantities?

Mr. COMFORT. One cent each would be a very good price for it; that is, supplying the hanging device which would be necessary to hang on the cases with them.

The CHAIRMAN. Now, then, Mr. Comfort, what unfairness do you allege on the part of the Post Office Department in this matter?

Mr. COMFORT. If I may take this report and read their tabulated reasons for rejecting it, I will reply to them.

The CHAIRMAN. Well, take them up and reply to them.

Mr. COMFORT (reading):

As a result of this investigation your committee finds that (1) there would be a great loss of time, not only in the simple operation of tying and untying, but by reason of of the standard length of devices not being adjustable to any sized package of letter, and because of entanglement of devices.

In reply to that I say that the objection that the Comfort-Bennor tie would cause loss of time is not well-founded, because it has been proved that it is faster than twine by tests in the Philadelphia office, where it was understood. One length of cord will do for all packages, for on a small package the surplus cord is taken up by an extra wrap around the package. As to the tangling, the use of the cloth pockets, in which it is proposed to furnish the devices to the department, will absolutely prevent any tangling.

Mr. ALEXANDER. What do you mean by cloth pockets?

Mr. COMFORT. It is a cloth bag in which the ties will be delivered from the manufacturer to the department.

Mr. ALEXANDER. That is to prevent tangling?

Mr. COMFORT. Yes; the use of this in transporting the ties through the mail, which is sometimes necessary to balance the equipment, will prevent tangling. The cord of the Comfort-Bennor tie is smooth and hard and is not easily tangled in any way. I will pass to the second objection. The second objection that the committee makes is:

The devices would be unhygienic, gathering dirt and grease and germs of disease and transporting them from one end of the country to the other.

The unhygienic feature was discussed by the employees at Philadelphia and it was considered overbalanced by the hygienic feature that is mentioned in the Philadelphia report, and that is the absence of the twine dust or fiber, which fills the air and the lungs of the operator. The men wear overalls in the operating room when they use that twine, but when they began to use this device exclusively they noticed the absence of the jute twine fiber in the air and on their clothes, and they did not put on their overalls when they used this cord and device in tying; that is, when they used it exclusively.

Mr. ALEXANDER. Now, the reason for urging that it is insanitary is because this same cord and device may be used a number of times?

Mr. COMFORT. Yes.

Mr. ALEXANDER. And in that way perspiration would get on the cord, or if a party had a sore on his hand the disease was liable to be communicated by the cord?

Mr. COMFORT. Yes, sir.

Mr. ALEXANDER. Whereas if they use the jute twine it is used once and discarded?

Mr. COMFORT. Yes.

Mr. ALEXANDER. That is the reason why they urged it, was it not?

Mr. COMFORT. Yes. But the letters, mail pouches, and other equipment go through the mail in the same way.

Mr. ALEXANDER. I am not discussing the merits of the objection.

Mr. COMFORT. The third objection is:

A sacrifice of space in crowded cars to provide for hanging-up devices would be required.

The use of wire hangers which it is proposed to furnish for use in cars and post offices makes it unnecessary to cover any of the letter case, as it hangs on the end of the case, except when tying out, and it is as easily moved about as a ball of twine. These hangers were not furnished for the tests by the Comfort-Bennor Co., because they expected to be permitted to demonstrate the matter, and it will be noted that the committee says of the Boston postmaster's report

that "The merit of a holding device should not be attributed to a tying device." That is in the details of this report. The fourth objection is:

Owing to the large breakage, as well as loss of devices, it is questionable whether the devices would, independent of the above objections, prove more economical than twine, which is now being procured at an average rate of 7 cents a pound.

The head of the Comfort-Bennor device is practically indestructible and the cord is smooth and strong; actual tests show it to be good for tying more than 1,000 packages. The loss of devices in partial tests can not be rightfully considered at all, because there is no reason why there should be any loss at all. The head of the device is stamped showing Government ownership, and it would be mail equipment, just as pouches or locks are. In partial tests the employees sometimes retain the ties as novelties and in any event it could not be hoped that all could be gathered back to one point after sending them out in a partial test. The cost of the device should not be more than one cent each, delivered in cloth pockets and including a sufficient number of hangers for the service, while the price of twine was higher than 7 cents per pound within a short time after the report was made and is now very much higher. A pound of twine will tie about 500 packages; no one will claim it will tie over 1,000 packages, even if it is carefully preserved, untangled, and used again, as they have orders to do and are doing in many places.

Mr. ALEXANDER. Your contention is that one of these devices will do the service of a pound of twine?

Mr. COMFORT. Yes; it will.

Mr. ALEXANDER. And this costs 1 cent and a pound of twine will cost over 7 cents?

Mr. COMFORT. Yes; I have shown the ties to thousands of employees in the Railway Mail Service, but the Postal Regulations forbid the indorsement by employees of any new devices; they dare not talk, much less write anything, about it; therefore I can not get any indorsements to bring to the committee. But if this committee that was appointed had permitted me to furnish some circulars of instruction or to have given a demonstration at the points where they sent these things to be tested, instead of treating it as a secret-service matter, they would have been successful in finding a substitute for twine, because I have found it. I have been in the postal service and I have made a special study of it. Before I presented the matter to the committee I knew I had what the Government wanted, or pretended they wanted.

The CHAIRMAN. Do you not think it would take some considerable time for the railway-mail clerks and post-office employees to become expert in the use of this tying device?

Mr. COMFORT. Experience has shown me that it takes about 10 minutes, and at some places 5 minutes, for them to become more expert than they are with the twine. It takes a good deal of time for postal clerks to study their regulations and pass the postal examinations, and do other things, but it would take much less time for them to learn this if it was presented to them and they were told they were going to use it. Many of the clerks in the Philadelphia office were very much more speedy than I am with them.

The CHAIRMAN. Mr. Comfort, the Postmaster General having appointed a committee to make an investigation of these several

devices that were submitted to the Post Office Department for trial and test, and that committee having made an adverse report to the Post Office Department, what complaint can you have to make against the Post Office Department for conforming to the report of the committee appointed to investigate the matter?

Mr. COMFORT. Well, the committee formed its report to the Postmaster General upon the reports made by men who would not know what this tie was at all, because they had no circulars of instruction before them; I argued with the committee to have them sent out. At least two members of the committee, I know, were fully cognizant of the Philadelphia report, and after they had that in their hands they took 12,000 of my ties, which I gave them to use in demonstrating, and they said, "We will close up like a clam; you get out; we will attend to this; we do not want any instructions and we are not going to let you know what we do with them, or anything." I could not find out what became of the matter until I got you to get the report to the Postmaster General, in order to find out what became of the matter; I could not find out what became of it until that time. I had Senator Terrell, only a week or ten days ago, write to the Postmaster General and ask him what had become of this matter of tying devices. In reply he got a letter from the acting Fourth Assistant Postmaster General, and this letter includes a circular which had no bearing on the question asked at all; it was entirely evasive, but it was stated in the letter, however, that the committee had made a report to the Postmaster General, but he had taken no further action on it. I presume the Postmaster General has never looked over the report or the papers.

The CHAIRMAN. Did you make a request of some one in the Post Office Department to permit you to make a demonstration of the use of this device?

Mr. COMFORT. Certainly I did.

The CHAIRMAN. Of whom did you make this request?

Mr. COMFORT. Mr. De Graw. He does not appear as chairman of this committee, but he was the man who dealt with the public; he was the man who invited these inventors to send these tying devices to him, you know.

The CHAIRMAN. What did Mr. De Graw do?

Mr. COMFORT. He said he thought it would take too much time and they would not do it; that they would just have to handle it in their own way. They even numbered the devices they sent out so the people that were using them in San Francisco and in St. Paul and in Kansas City, and other places, should not know who they belonged to, or anything. I presume they were afraid there might be some attempt on the part of some of these inventors to bribe some of the people into indorsing their ties. I can not see any other reason why they should have sent them to San Francisco, Kansas City, St. Paul, and all over the earth, unless they wanted to make it appear that there was something like a popular election when they got adverse returns from all these points. It seems to me there are plenty of men in the Railway Mail Service, practical men, who have been tying letters all their lives, who could have been called before that committee and, with myself and the others who are interested in the matter, questioned, and the matter investigated in a practical way; that is, if they had wanted to really find out the truth of the matter and find out whether I had anything or not.

Mr. ALEXANDER. In other words, you think it would have been good administration on the part of the department to have called in the representatives of the railway mail clerks and employees in post offices and your device, together with the devices of the other inventors, produced and demonstrated?

Mr. COMFORT. Certainly.

Mr. ALEXANDER. That would have been the practical common sense way of doing it?

Mr. COMFORT. I should think so.

Mr. ALEXANDER. It strikes me you are right about that. I would not learn how to manipulate that for a long while.

Mr. COMFORT. My device is absolutely novel, and no one on earth would know what to do with it. I have shown it to a number of railway mail clerks, and I have had one man ask me, "What is that; a new key?" He had heard they were going to have some new kind of locks and he said, "Is that a new key?"

Mr. AUSTIN. It is very simple.

Mr. COMFORT. Yes; it is very simple. And it could easily be understood if demonstrated or even if a comprehensive circular is furnished; but they would not permit me to do that.

Mr. ALEXANDER. You mean to say they did not permit your instructions to go out?

Mr. COMFORT. No, sir; they did not; they wanted no instructions to come with it. They said——

Mr. ALEXANDER (interposing). They just sent the devices?

Mr. COMFORT. Yes. I have samples here of other devices; you will see other colored cords there; I am absolutely familiar with the whole thing. I made an offer to Mr. De Graw to convince these other fellows that they had nothing that would do and let them get out of the game, if he would let me see them. I did meet one gentleman from Chicago, accidentally, in his Congressman's office; this was during the time they were presenting these things. And when he saw my device he got on the train and went back to Chicago and did not furnish any 12,000 for them to play with.

Mr. AUSTIN. There were about 500 of these devices?

Mr. COMFORT. Yes, sir.

Mr. AUSTIN. They were sent to all the leading post offices?

Mr. COMFORT. No; they were sent to a subcommittee; Mr. De Graw turned them over to a subcommittee in Washington.

Mr. AUSTIN. The Postmaster General appointed a commission composed of the First, Second, and Fourth Assistant Postmasters General?

Mr. COMFORT. Yes, sir.

Mr. AUSTIN. To pass on these devices or to have these 500 various devices passed on; and they were sent to the New York, Chicago, Philadelphia, Brooklyn, Boston, and Cincinnati post offices and at various places in the Railway Mail Service?

Mr. COMFORT. No; not the 500 various devices; just 8 different devices were selected.

Mr. AUSTIN. But there were 500 submitted?

Mr. COMFORT. Yes; and out of that number they selected 8.

Mr. AUSTIN. And those were distributed at the offices I have mentioned and throughout the Railway Mail Service?

Mr. COMFORT. That is what they say.

Mr. AUSTIN. Does not the report show it?

Mr. COMFORT. Yes, sir.

Mr. AUSTIN. You do not question that, do you?

Mr. COMFORT. No, sir. I do not know that there is any mention made in the report as to the Railway Mail Service?

Mr. AUSTIN. I think I can show that to you. They were testing all of these selected devices?

Mr. COMFORT. Yes, sir.

Mr. AUSTIN. And the people who tested them did not know the name of the manufacturer of the device they were testing?

Mr. COMFORT. Nor how to use it either.

Mr. AUSTIN. They were testing by numbers. You do not mean to say that in trying out your device the clerks in the post offices and the railway mail clerks did not know anything about it?

Mr. COMFORT. I do say so, sir.

Mr. AUSTIN. How could they make the test?

Mr. COMFORT. I do say that they did not know about tying it.

Mr. AUSTIN. And you were not permitted to furnish information showing the manner of using it; is that it?

Mr. COMFORT. That is it.

Mr. AUSTIN. You were given no opportunity to explain how it worked?

Mr. COMFORT. No, sir.

Mr. AUSTIN. What reason was given to you for not permitting this information to go to the clerks?

Mr. COMFORT. Well, Mr. De Graw admitted that possibly it was just that it should be done, but that he was only one member of the committee.

Mr. AUSTIN. What reason did the committee give for not allowing you to furnish that information?

Mr. COMFORT. I never had any conversation with the committee, only with Mr. De Graw.

Mr. AUSTIN. When you submitted it and they refused to permit you to furnish this information what reason did they give you?

Mr. COMFORT. That they were going to put them on an equal footing and let none of them furnish anything. All the other devices are buttons or catches of some kind; some of them are very simple and also very useless.

Mr. AUSTIN. You stated you did not know anything about this matter being submitted to these postal clerks. This report says:

Railway Mail Service, Kansas City Terminal, R. P. O.—Reports received indicate that both railway postal clerks and postmasters are practically unanimous in their opinion that none of the devices can be advantageously substituted for twine in our service.

That would indicate that the railway postal clerks had tested all of these devices that had been selected.

Mr. COMFORT. Well, may I reply to that by telling you that when I first presented this matter, with my Congressmen, to the superintendent of the Railway Mail Service he was not civil to my Congressman and to me, and protested that he did not want to see any more; he knew all about them, and he was not going to try any more; he was tired and sick of all this kind of business, and he would not look at it.

Mr. AUSTIN. You mean the division superintendent at Atlanta?

Mr. COMFORT. No; I mean the superintendent, Alexander Grant; he was then the superintendent.

Mr. AUSTIN. The general superintendent?

Mr. COMFORT. Yes, sir. He said he did not want to see it and would not see it.

Mr. AUSTIN. Was that after it had been tried?

Mr. COMFORT. That was before it had been tried in Philadelphia. Judge Griggs, who was then my Congressman, went with me and saw Dr. Grandfield, and Dr. Grandfield said he had no objection to trying it in the post office if I would give them the ties to try; so he gave me a letter, just gave me a letter which was an introduction to the postmaster at Philadelphia, and stated he might test the ties in his office if he so desired.

Mr. AUSTIN. Well, did Mr. Grant, the general superintendent of the Railway Mail Postal Service, have a right to go in and try this device?

Mr. COMFORT. No; he had not the right.

Mr. AUSTIN. Is not that really the province of the Postmaster General?

Mr. COMFORT. That is within the authority of the Postmaster General. However, he might have suggested it as something that was highly valuable to the service. He would have been negligent of his duty had he not suggested to his superior the wisdom of this device.

Mr. AUSTIN. I have tried that with the Post Office Department in reference to patent mail sacks or bags, and the reply to me has been, "Occasionally, or every few years, we appoint a commission to pass on the various devices looking to improvements in the postal service, economy, and so forth," and all of these patent devices must go to that commission. I do not think Mr. Grant had any right to put these devices or anything else in the service without having them go through the regular channel.

Mr. COMFORT. In his position, then, you think he would have done wrong to have looked at it or examined it and treated my Congressman civilly?

Mr. AUSTIN. He could have looked at it, but Mr. Grant was an able superintendent of the Railway Mail Service; I have known him for about 30 years, and I do not believe he would do anything against the interest of the service. What he did was just simply in the line of the policy of the department in handling all of these various devices, as they run up into the thousands. He could not take up yours without in fairness taking up every other man's that would come there.

Mr. COMFORT. But the majority of these devices had already been passed on in a similar test two years before.

Mr. AUSTIN. But at this time there were 500 altogether.

Mr. COMFORT. I understand so, but they did not consider all of them. In my first conversation with Mr. De Graw he made a statement in regard to this mail-tying situation which I think covers the ground. He said he was in favor of one of some kind and thought it would be a good thing, but great objection came from the railway mail clerks to any tying device, that they were set in a certain way and that they did not think there was any other way to do it except to tie with twine; that they had always done it that way and that

they were slow to change. He gave me an illustration which I would like to repeat to you; it explains the situation.

Mr. AUSTIN. These devices were tried by 20 different postal crews and they reported against it. Now, the average postal clerk has no prejudices in a matter of that kind. You know that.

Mr. COMFORT. I know that they have, sir.

Mr. AUSTIN. A feeling against your device?

Mr. COMFORT. A prejudice against anything but a piece of twine with which to tie. If you call a postal clerk before you, the first thing he will tell you will be that no tying device will do, but when he sees this tied and untied he says, "That is all right; that will do." I have had 500 postal clerks to tell me that.

Mr. ALEXANDER. You do not mean to say they are not interested in getting some device that would make it easier to tie up packages?

Mr. COMFORT. They would be interested if they thought such a thing were possible and would benefit them; this subject has been up for years and they have passed up hundreds of them.

Mr. ALEXANDER. They have found none to be satisfactory?

Mr. COMFORT. Found none of them satisfactory. But everyone will tell you when he sees this properly demonstrated that it is the proper thing.

Mr. ALEXANDER. Your opinion is that you have finally solved the question and that you could overcome their prejudices against these tying devices; is that it?

Mr. COMFORT. Yes.

Mr. ALEXANDER. But they are so prejudiced against all tying devices——

Mr. COMFORT (interposing). That they have been annoyed with; yes, sir.

Mr. ALEXANDER (continuing). That they will not give yours proper consideration?

Mr. COMFORT. That is what they have told me.

Mr. AUSTIN. The great weight of opinion, as it is expressed by the clerks in post offices and in the Railway Mail Service, is against all of these devices that have been submitted?

Mr. COMFORT. Philadelphia is the only one——

Mr. AUSTIN (interposing). I say, the great weight of opinion, according to this report as received from the postal clerks in post offices and in the Railway Mail Service scattered all over the United States, is against the use of these devices, including the one submitted by you.

Mr. COMFORT. I will not admit that mine was submitted at all, as there were no circulars of instruction sent out nor demonstrations made. I will not admit that it has been submitted to but one office in the United States.

Mr. AUSTIN. They gave you no opportunity to explain this tying device?

Mr. COMFORT. They gave me none.

Mr. AUSTIN. Then I do not think that was fair.

Mr. ALEXANDER. I am not able to manipulate this thing yet, and I saw him do it twice.

Mr. AUSTIN. Let me read this paragraph to you:

To the official in charge of the test at each of these points a letter of instructions was sent directing him to test each device submitted to him, confidentially and separately, for one week, and at the expiration of such tests to report in detail if any

of the devices could, in his judgment, be advantageously substituted for twine in the postal service under his charge, and if so to give the reasons on which his opinion was based.

There is nothing in that paragraph indicating that they were not given instructions about how to manipulate?

Mr. COMFORT. But I say they told me they would not, and in furnishing them you were not permitted to put your name or anything on the box, but to put "No. 4" on it.

Mr. AUSTIN. Have you a copy of this letter of instructions which was sent out to these men by this committee?

Mr. COMFORT. No; that is all confidential. I was never able to get anything at all until I got it through this committee.

Mr. AUSTIN. I will see whether I can get a copy of it.

Mr. COMFORT. On the last visit I made to the Post Office Department I was told by Mr. Davis that I could not see Mr. Weed; that hereafter if I came up there to see about tying devices I would be told that Mr. Weed was busy. Mr. Weed, I will say, favored this device very strongly after this report had been made. Mr. Weed was cognizant of the contents of this report, but he was very much pleased with the device, to the extent that he took a package of them and tied it and hung it up on his case. This thing is thoroughly practicable. There are 2,700 people on the pay roll in Philadelphia, and they were so highly pleased with the thing that they had a public meeting of the superintendents of the office three days after they began the use of it and indorsed it in the most glowing terms, and they do not understand why the Government does not adopt it. I know why. They would not let me show anybody else how to use it. If I found a new medicine that would cure consumption, diphtheria, or anything else, and I was not permitted to show how to use it, you would not cure any cases with it.

The CHAIRMAN. Have you any further statement that you wish to make?

Mr. COMFORT. I might possibly call your attention to some absolutely contradictory statements by various post offices where they are supposed to know how to tie. The postmaster at Brooklyn says, "No. 4 is not thought to be of use, because a bundle tied out with this device is very insecure." I will say this: I will tie 10 packages with my tie and let the other people tie one package each with their ties and put my 10 and their ties in a sack, shake it up for five minutes, and if everyone of their ties is not untied I will hush up, and if a single one of mine is untied I will hush up.

Mr. AUSTIN. Of what material is this cord made?

Mr. COMFORT. Cotton only, a product of the United States and not of India.

Mr. AUSTIN. I am in favor of your material all right.

Mr. COMFORT. We do not have to see whether there is a full crop of jute in India. The head of it is made in Waterbury, Conn.

(Thereupon the committee adjourned to meet Wednesday, July 12, 1911.)





